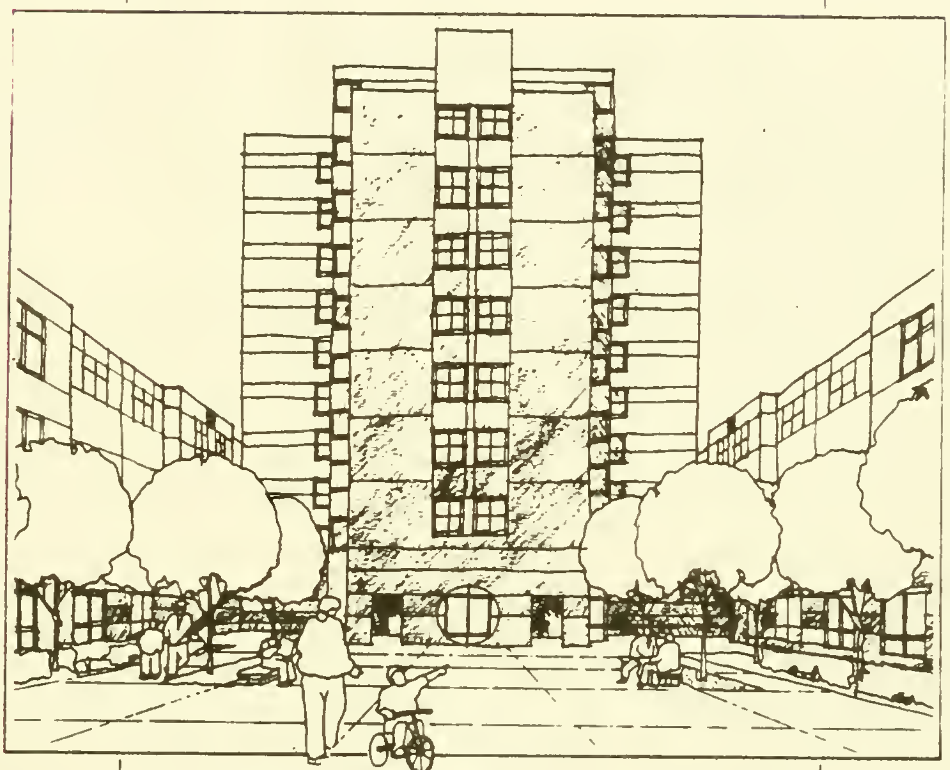
OAK TERRACE CHINATOWN



Asian Community Development Corporation

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Issued to: ______________________________
No.: ______________

PRIVATE OFFERING MEMORANDUM

OAK TERRACE LIMITED PARTNERSHIP
a Massachusetts limited partnership

$6,220,000 in Limited Partnership Interests
(5 Units at $ 1,244,000 /Unit)

July 13, 1992

THIS PRELIMINARY INFORMATION IS FURNISHED TO YOU ON A CONFIDENTIAL BASIS SOLELY FOR THE PURPOSE OF DETERMINING INTEREST IN RECEIVING OFFERING MATERIALS RELATING TO A POSSIBLE INVESTMENT IN THE PARTNERSHIP. NO INVESTMENT DECISION SHOULD BE MADE BASED UPON THE INFORMATION CONTAINED HEREIN. THE FURNISHING OF THIS INFORMATION DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY AN INTEREST IN THE PARTNERSHIP, WHICH CAN ONLY BE AFTER YOU HAVE (a) INDICATED AN INTEREST IN BECOMING A PROSPECTIVE INVESTOR AND IN RECEIVING MORE INFORMATION AS A PROSPECTIVE INVESTOR RELATING TO THE PARTNERSHIP AND (b) VERIFIED THAT YOU ARE AN ACCREDITED INVESTOR AS DEFINED BY RULE 501(a) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933.

OAK TERRACE LIMITED PARTNERSHIP
PRIVATE OFFERING MEMORANDUM
Contents

I. INVESTMENT SUMMARY

In an effort to motivate the private sector to invest in the creation and rehabilitation of affordable housing, Congress has created important tax credit incentives for certain types of investments. Originally established as part of the Tax Reform Act of 1986, low income housing tax credits represent an attractive way for corporations and other institutional investors to obtain significant after tax returns, while assisting in solving a pressing domestic priority -- affordable housing.

Oak Terrace Limited Partnership (the "Partnership") is a Massachusetts limited partnership which has been formed to acquire, develop, own, and operate the residential facilities known as Oak Terrace (the "Project") located in the Chinatown community of Boston, Massachusetts. The development of this project will result in 88 rental units enclosing an open courtyard at Oak Terrace. There will be 14 one bedroom units, 32 two bedroom units, 33 three bedroom units and 9 four bedroom units. Sixty (68%) of these units will be affordable to low income families, and will qualify for the low income housing tax credit. The Project is sponsored by the Asian Community Development Corporation (the "ACDC" or the "Sponsor"), a tax-exempt nonprofit community development corporation serving Boston's Chinatown. It is the only membership-based agency organized as a community development corporation serving the Greater Boston Asian Community.

Various private and governmental agencies will provide construction and permanent financing to the project.

The total proposed equity investment in the Partnership (the "Investment") totals $6,220,000, consisting of 5 units ("Units") of $1,244,000 each, to be contributed in three installments from 1992 through 1994. No units will be sold unless subscriptions are received and approved for all of the five units. The general partner may accept subscriptions for multiple or fractional units and may withdraw this offering at any time.

The benefits of the Investment to corporate investors (referred to as "Investors," "Partners," or "Limited Partners") include approximately $9,087,147 ($1,817,429 per Unit) in low-income housing tax credits available over a ten year period, and annual loss deductions throughout the life of the Investment. These losses, valued using a 34% maximum Federal corporate tax rate, constitute approximately $6,712,116 million ($1,342,423 per Unit) in net tax savings over an approximate 17-year projected holding period. In addition, some Investors may be entitled to savings on state and local taxes, but these are not taken into account in the Financial Forecasts. No cash flow to the Investors is anticipated over the life of the Investment. As more fully described below, the Investment is expected to have an internal rate of return of approximately 15% on an after tax basis.

Residual values are not expected to be a benefit of the investment to the Limited Partners. The taxes due on sale of the Project at the end of the investment period are estimated assuming a projected sale at the minimum price allowable under Section 42 of the Code. The rental restrictions inherent in the Project financing rule out an unrestricted market sale. The forecasts estimate

that the Limited Partners would have a projected net tax cost of approximately $4,597,315 ($919,463 per unit) from the sale. However, when offset by the dollar value of all the forecasted benefits achieved over the life of the investment, the Limited Partners would have achieved aggregate net benefits of $4,981,948 ($996,390 per unit). In this case, the Limited Partners would achieve an overall sale plus holding period ratio of benefits to capital contributed of 1.21 to 1 when both capital and benefits are discounted at 10%, and a net, after-tax internal rate of return of 15%.

These investment materials do not constitute legal or tax advice, and the results for each Investor will depend on its own tax situation. Each Investor is urged to consult its own legal and tax advisors regarding the benefits of the Investment.

The Investment involves certain risks, which should be carefully considered by each Investor (see "Risks of Investment").

THE INVESTMENT IS STRUCTURED TO PROVIDE TAX BENEFITS TO CORPORATE INVESTORS, AND ONLY ACCREDITED CORPORATIONS MAY INVEST. ACCREDITED CORPORATIONS INCLUDE BANKS, SAVINGS AND LOAN ASSOCIATIONS, INSURANCE COMPANIES, AND ANY CORPORATION WITH TOTAL ASSETS IN EXCESS OF $5,000,000. THIS INVESTMENT IS NOT APPROPRIATE FOR CORPORATIONS WHICH HAVE MADE "S" ELECTIONS OR ARE PERSONAL SERVICE CORPORATIONS OR FOR MOST CLOSELY HELD "C" CORPORATIONS.

The proposed investment is structured for "C corporations" which are not closely held (i.e., for which 50% or more of the stock is not held by 5 or fewer stockholders). Although closely-held "C corporations" may use passive credits and losses against both active and passive income, they may be subject to "at risk" rules that could limit the use of such tax benefits and, in any event, they will not be able to use passive losses to offset portfolio income. Subchapter S and "personal service corporations" are also restricted in their use of certain of the benefits available, and should not invest unless they expect to have substantial net passive income over an extended period of time.

II. INVESTMENT OBJECTIVES

A. General

This Investment is structured to provide expected tax benefits in return for capital investments of qualified corporate investors. Under the Tax Reform Act of 1986, certain corporations will achieve the maximum potential benefit available from such investments in affordable housing. **ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS ON THE SUITABILITY OF THIS INVESTMENT.**

B. Projected Investment Benefits

The Investment offers several types of benefits, each of which is described briefly below. Further information concerning the amount and timing of these benefits is available in Appendix A, Financial Forecasts and Summary of Significant Forecast Assumptions and Accounting Policies (the "Financial Forecasts" or the "Forecasts").

Low-income housing tax credits ("Credits"), created by the Tax Reform Act of 1986 (the "Act"), are the primary benefit of the Investment. Credits are subject to the limitation on general business credits which allows a corporation to claim credit equal to the excess of its tax liability over the greater of (i) its "tentative minimum tax" or (ii) 25% of the excess of its regular tax liability over $25,000. Credits are a direct dollar for dollar reduction of taxes due, and as such, may increase the cash flow of a company but may not be used to reduce the Alternative Minimum Tax obligation. Any currently unused Credits may be carried forward for up to fifteen years and back three years.

Affordable housing developments may be eligible for Credits if 20% or more of the apartments are "rent restricted" and occupied by tenants whose income is equal to or less than 50% of the area median income, or if 40% or more of the apartments are "rent restricted" and occupied by tenants earning 60% or less of the median income. Credits may be claimed on more than 20% (or 40%) of the units to the extent additional units are used to house low income families, but the initial proportion of low-income units must be sustained over a 15 year compliance period to avoid recapture

The Credit is determined by multiplying Eligible Basis (ordinarily the same as the adjusted basis used for purposes of depreciation) by the lower of the percentage of total apartment units or the percentage of total apartment floor space which meet the requirements of low income status as statutorily defined. This percentage is determined annually. The resulting Qualified Basis is multiplied by the Credit Percentage to determine the Credit amount. The Credit Percentage is computed so that the present value of the total Credits taken with respect to the Qualified Basis of a building over the ten-year Credit period will equal 70% (in the case of certain new construction and rehabilitation expenditures) or 30% (in the case of acquisition costs and other Federally subsidized costs)

of such Qualified Basis. Present value calculations use a discount rate based upon 72% of the average of the Federal mid-term and long-term rates for the month in which the project is placed in service. However, a taxpayer can irrevocably elect to determine the Credit Percentage at the level of the Federal rates published for the month in which the Credit allocation is received for the project, in advance of the building's placed in service date. The Credit is then available each year during a 10-year period commencing with the taxable year in which the project is placed in service or the subsequent taxable year, at the owner's election. The Code provides that Eligible Basis may be multiplied by up to 130% if a project is located in a "qualified census tract", defined as any census tract in which at least 50% of households have an income less than 60% of the area median gross income, subject to certain limitations, or in a "difficult development area", defined as any area designated by the Secretary of the U.S. Department of Housing and Urban Development as an area which has high construction, land, and utility costs relative to the area median income. The Project is located in a "difficult development area," and accordingly, Eligible Basis for the rehabilitation has been multiplied by 130%.

The Project is expected to qualify for the 70% present value Credit for rehabilitation expenditures financed by taxable debt. The Forecasts assume that the interest rates applicable to determine the Credit Percentages will result in a rate equal to approximately 9.0%, which is subject to change until the month in which the units are placed in service. As of June 1992, the rate for the 70% present value Credit was equal to 8.76%.

The Partnership has entered into a Carryover Allocation Agreement with the Massachusetts Executive Office of Communities and Development and has been allocated Credits totaling $1,178,994 based on the assumption that 60 of the 88 units (68%) will be tax credit eligible. The Forecasts project that $917,894 of Low Income Housing Tax Credits are to be distributed annually over a ten year period.

<u>Tax losses</u> are a deduction from all forms of income for most corporations, although closely-held C corporations may not utilize them to offset portfolio income. The tax savings available from tax losses depend on the corporation's Federal income tax bracket. For example, a corporation in the 34% Federal tax bracket having $100,000 of tax losses would achieve $34,000 in tax savings from such losses. This Investment assumes a 34% maximum Federal tax bracket in all years of the Forecast period. The benefits of these tax losses would be partially offset by any taxable income and associated tax liability anticipated upon a sale of the Project. Tax losses are generated in this Investment primarily through depreciation of the costs of the Project, amortization of certain expenditures, and accrued interest deductions. Additional state tax savings may also be available, although they are not incorporated into the Forecasts.

<u>Cash flow</u> is not anticipated to be a benefit of the Investment. Any excess operating income will be utilized for maintenance and operating reserve accounts for the future benefit of the Project.

Residual values which would be available to Investors are significantly limited by various restrictions imposed by the Sponsor (or an affiliate) and the government agencies which have subsidized the Project. In the case of this Investment, the Sponsor will have an option to purchase the Project for the outstanding debt on the Project or the defined minimum option price as allowed under Section 42(i)(7) of the Internal Revenue Code. There is, however, no assurance that this option will be exercised. Residual values are therefore not expected to be a benefit of the Investment.

The taxes due on sale of the project at the end of the investment period are estimated assuming a projected sale at the minimum price allowable under Section 42 of the Code, which for simplicity is assumed to be equivalent to the sum of the outstanding debt on the Project plus $1.00.

C. Pricing, Adjusters and Conditions of Payment

Pricing: The Investment is priced with the objective of achieving an internal rate of return ("IRR") of 15% on invested capital on an after tax basis. Assuming that the Investment performs in accordance with the Forecasts, this objective is met based upon the benefits currently projected for the approximately 17-year investment period.

Adjusters: In the event that, as of the third capital contribution installment date (when the qualified units are placed in service), the then-projected IRR is more than 10% above or below the 15% IRR originally projected in the Forecasts the amount of the third capital contribution installment shall be increased or decreased, as the case may be, in order for the Investment to achieve a 15% IRR. If a decrease to the capital contributions is required by the adjuster, and such decrease exceeds the amount of the third capital contribution installment, the excess adjustment will be made out of proceeds of sale or refinancing.

Conditions of Payment: The first payment of Limited Partner capital will be made upon admission to the Partnership, which is to occur after commitment of permanent financing, and upon closing on the construction financing. The second payment will be made within 10 days of receipt of the architect's certification in writing that the Project construction is 80% complete. The third payment will be made on the later of: when 95% of the apartment units in the Project have received a Certificate of Occupancy (C. of O.), or when stabilized occupancy has been reached for a period of three months, or November 1, 1994.

Each Limited Partner's obligation to make future installments of its capital contribution will be evidenced by an Investor promissory note and may be secured by a security agreement pledging the Limited Partner's interest in the Partnership. The Limited Partner' promissory notes and security agreements may be assigned to a bridge lender who will provide interim financing for the Project.

D. Tax Shelter Registration

As required by the Internal Revenue Service, the Partnership is filing a

tax shelter registration statement with the Internal Revenue Service and the Service will issue a tax shelter registration number to the Partnership. Issuance of the registration number does not indicate that the Investment or the claimed tax benefits have been reviewed, examined or approved by the Internal Revenue Service. Each limited partner will be furnished the tax shelter registration number by the Partnership and will be required to include that number with its tax return.

E. Oak Terrace Limited Partnership Investment Benefits

Investors in Oak Terrace Limited Partnership are projected to earn the following financial benefits while assisting in solving the pressing need for affordable housing. Investors will receive 99% of the Partnership's tax benefits and 99% of any distributable cash flow. No distributable cash flow is expected.

Total tax benefits currently expected to be distributed to limited partners in return for capital contributions of $6,220,000 are as follows:

- $9,087,147 ($1.46 per dollar invested) of Low Income Housing Tax Credits are projected to be distributed over a ten year period. Investors can apply these Tax Credits as a dollar-for-dollar reduction against federal income taxes otherwise due. Tax Credits may be carried backward for up to three years and carried forward for up to fifteen years to offset tax liability.

- $19,741,518 ($3.17 per dollar invested) of annual loss deductions are projected to be distributed over a sixteen year period. Investors can apply these annual loss deductions to reduce taxable income. Assuming investors have a federal income tax rate of 34%, investors will reduce their tax liability by 34% of the annual loss deductions received, or $6,712,116. Investors able to reduce state tax liability with these loss deductions will receive even more benefits. Annual loss deductions can also be carried backward for up to three years and carried forward for up to fifteen years.

Tax savings from annual loss deductions will be partially offset by capital gains taxes estimated at $4,597,315 which will be payable by Investors at the end of the investment period if the Sponsor exercises its option to purchase the Property from the Partnership for a price equal to a minimum option price as allowed by the Internal Revenue Code. Tax savings from annual loss deductions, net of capital gains tax, equals $2,114,801.

Total projected financial benefits are as follows:

$ 9,087,147	Total tax credits over ten years
+$ 2,114,801	Additional tax savings from annual loss deductions during sixteen years net of potential capital gains tax payable at end of sixteen years
$ 11,201,948	Net Federal tax savings projected

These projected benefits, offered in return for $6,220,000 of Investors' capital contributions, are expected to earn Investors an after-tax internal rate of return of 15%. The timing of capital contributions and receipt of tax benefits is a critical factor in calculating the internal rate of return or net present value of this investment.

Non-financial benefits of this investment include community goodwill, assistance in providing construction jobs in the local economy, and assistance in furthering a high domestic priority: the provision of high quality affordable housing. Investors who are banks can help meet community reinvestment objectives with this Investment.

Investing in Oak Terrace Limited Partnership offers Investors one of the few opportunities available to earn a significant potential financial return while promoting an important social good.

Also see Section VII. "Risks of Investment," and Section VIII., "Corporate Financial and Investment Considerations" below.

THESE PROJECTED BENEFITS OF INVESTMENT ARE NOT GUARANTEED BY THE SPONSOR OR GENERAL PARTNER, AND ARE SUBJECT TO CIRCUMSTANCES THAT MAY BE BEYOND THEIR CONTROL.

III. THE PARTNERSHIP, THE GENERAL PARTNER, AND DEVELOPMENT TEAM

A. Structure of the Partnership and the General Partner

The Project will be owned by a limited partnership with a single corporate general partner, Oak Terrace Corporation (the "General Partner"), a Massachusetts business corporation, the common stock of which is owned by the Sponsor. The Sponsor anticipates that it will sell a minority stock interest (21%) in the General Partner to a non-profit corporation not affiliated with the Sponsor.

The General Partner of the Partnership will be allocated 1% of the profits, losses, tax credits, and cash flow from the Property, and 50% of the gains, losses, and proceeds from any sale or refinancing (after certain other priorities), with 99% of profits, losses, tax credits and cash flow and 50% of residual proceeds allocated to the Investors. A full statement of allocations is set forth in the First Amended and Restated Agreement and Certificate of Limited Partnership of the Partnership (the "Partnership Agreement").

B. Sponsor: The Asian Community Development Corporation

The Sponsor of the Project is the Asian Community Development Corporation of Boston, Massachusetts. ACDC is a non-profit, 501 (c)(3), community development corporation, organized in 1987 to serve Boston's Chinatown. The development of affordable housing has been the organization's main in order to alleviate acute and persisting problems of housing shortages and overcrowding. ACDC has viewed its role as the catalyst for overall housing and economic development in Chinatown and as a planning and development vehicle to address unmet local needs. ACDC is a membership-based organization, with strong roots in and supported by the community at large

ACDC's twenty member Board of Directors consists of individuals with strong and varied records of professional success and community achievements A majority of board members were born and raised in Chinatown. Their professional roles include: professorship at M.I.T., UMass Boston, and the Boston Architectural Center; Vice Presidency of State Street Bank, financial analyst for a real estate development firm; paralegal, court officer and Judge; Partnership in local law firms such as Goodwin, Procter and Hoar; and leadership roles in local, state and federal government agencies such as the Department of Health and Hospitals for the City of Boston, the Massachusetts Civil Service Commission and the Federal Emergency Management Agency. In addition to their professional roles, all have long histories of active leadership in local community development, social services and community advocacy. ACDC's Board members have held key roles in the establishment of the South Cove Community Health Center, Chinatown's first community health center; the formation of ACDC as well

as the creation of two major social service agencies: the Chinese American Civic Association and the Quincy School Community Council.

ACDC's Executive Director and Assistant Director devote their housing expertise and community-based experience to the development of Oak Terrace. ACDC's Executive Director has helped shape local housing policy through her tenure as the former Executive Director of the Chinatown Housing and Land Development Task Force; as an active leader in the conception and implementation of the first city-approved Chinatown Community Plan and as a former member and co-chair of the Chinatown-South Cove Neighborhood Council. She was also the recipient of the Boston Fair Housing Commission's Community Service Award. The Assistant Director for the Asian Community Development Corporation has provided consultation to CDCs and public agencies on economic development during her tenure at Policy and Management Associates. She has also analyzed and recommended housing policies for the Citizens' Housing and Planning Association and the Urban Institute. She is the recipient of national awards from the American Planning Association and the Urban Land Institute for her research in the field of affordable housing development.

The combined vision and expertise of ACDC's Board members and staff provides a strong foundation for successful housing development. ACDC as an organizational whole reflects a diverse collection of individuals who have extensive knowledge and expertise in community development and the various stages of the development process. For a complete list of professional credentials, ACDC's List of Directors is available upon request.

C. Architect

Lawrence K. Cheng Associates, Inc. of Boston and Williams Associates, Inc., of Cambridge, Massachusetts are providing architectural services to the Partnership. Mr. Cheng has over ten years of experience in design and planning. His prior achievements include residential, commercial and institutional projects. While at John Sharratt Associates, Mr. Cheng was responsible for a number of large, multi-unit housing developments throughout New England, including family housing, elderly housing, and special needs housing. He also designed recreational and municipal buildings, and produced the master plan for a ski resort. As a senior partner at Cambridge Seven Associates, Mr. Cheng participated in projects involving museums, retail centers, and office buildings. At that time he was project architect for a festival marketplace in Osaka, Japan, a library addition and renovation for a college in New Hampshire, and a waterfront redevelopment plan for La Ciotat, France. Lawrence K. Cheng Associates is also currently involved in the design of several single family residences in addition to designing Oak Terrace.

In addition to his professional practice, Mr. Cheng has taught architectural design and is active in Boston's community and civic organizations. He has served as advisor to Boston's Chinatown and Fenway neighborhoods in land use planning and housing policy matters, and as a panelist concerning various urban design issues.

Williams Associates is the consulting architect for the Oak Terrace project. Mr. Williams' credits include responsibility for the design and construction of many multi-family developments in the eastern United States, as well as 5,000 residential units which were part of Seoul Korea's Olympic Village.

D. <u>Contractor</u>

The Partnership will be seeking bids from a pre-selected list of experienced and qualified contractors in the coming months. A contractor is expected to be selected by September 1992.

E. <u>Development and Syndication Consultant, Management Agent</u>

<u>The Community Builders, Inc</u>: The Community Builders, Inc. ("TCB") is the development and syndication consultant to the Partnership and will enter into a contract to manage the Property. TCB is a nonprofit corporation formed under Chapter 180 of the Massachusetts General Laws, and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986. Since its founding in 1964, TCB has both developed and assisted community-based organizations in the creation of more than 6,500 units of affordable housing. TCB currently manages approximately 3,200 units of nonprofit sponsored housing in 40 developments throughout New England. TCB's economic development division has assisted neighborhood-based developers in the creation of 250,000 square feet of light industrial, R&D, retail and office space. In addition, TCB has assisted in the design and implementation of a number of housing program initiatives.

Originally based in Boston, TCB now works throughout the Northeast, and has offices in Boston and Springfield, Massachusetts, Providence, Rhode Island, New Haven, Connecticut, and Philadelphia, Pennsylvania.

Since 1979, TCB has also organized 32 limited partnerships to which investors have contributed over $100 million, and which have total debt and equity financing of over $400 million. In exchange, the investors have received the rights to share in the tax and other benefits generated by housing developments sponsored by TCB and by the corporation's nonprofit clients.

TCB's development staff has specialized expertise in debt and equity finance, construction, law, and economic development. Patrick E. Clancy its Executive Director since 1976, has been with TCB since receiving his degree from Harvard Law School in 1971. Mr. Clancy formerly served as chairman of the Multi-Family Advisory Committee of the Massachusetts Housing Finance Agency, and now serves as a director of the Metropolitan Boston Housing Partnership, Inc., as a member of the Federal Home Loan Bank of Boston Affordable Housing Advisory Council, and as a member of the Advisory Committee for the Center for Real Estate Development at Massachusetts Institute of Technology.

TCB provides consultation to ACDC for the overall planning, structuring, financial packaging and management of the development program.

F. Other Associated Professionals

Real Estate and General Legal Counsel: The law firm of Goodwin, Procter & Hoar of Boston, Massachusetts is counsel to the Partnership. In this capacity, the firm will provide legal advice on real estate and related matters to the Partnership related to the development and financing of Project.

Tax Counsel: The law firm of Warner and Stackpole of Boston, Massachusetts is tax counsel to the Partnership. The firm will provide legal advice on tax and related matters to the Partnership in connection with the development and financing of the Project, the admission of Investors, and will render a tax opinion to the Partnership. In addition, the firm will assist in the preparation and review of the Partnership Agreement and related documentation.

These attorneys will not represent the Investors, who should consult their own attorneys and financial advisors concerning the Investment.

IV. THE PROPERTY

A. Background and Property Description

ACDC is currently developing Oak Terrace (the "Project"), located in the heart of the residential district of the Chinatown neighborhood of Boston, Massachusetts. Oak Terrace consists of 88 units of mixed income family rental housing. The project has garnered tremendous community and official support as the first new construction of large scale affordable housing in Chinatown since 1974. Currently, the parcel is a blighted lot with a dilapidated building, posing safety risks to community residents and undermining the physical environment. The Oak Terrace project reflects the vision and years of successful activism by community leaders and residents to provide new affordable housing resources for the growing Asian population in Boston as well as ensure meaningful development that benefits the entire community. Oak Terrace is a critical development because it will be built on one of the last remaining public parcels of land in Chinatown available for development. This residential housing development will be a significant asset to the community, adding vibrancy, housing resources and community life to the area.

Oak Terrace has evolved through careful consideration of Chinatown's needs and unique characteristics. Oak Terrace's scale, affordability, bedroom mix, open spaces and design reflect Chinatown's dire need for affordable large family-size units, recreational open space and the traditional family values of generational cohabitation.

The sponsor, Asian Community Development Corporation ("ACDC") is proud of its large scale and affordable housing program at Oak Terrace. Oak Terrace will be a family-oriented housing development where all generations can live, enjoy recreational activities and be close to the social, political and cultural activities of both Chinatown and downtown Boston. As the site is located close to public transportation, the theatre district, the Public Garden and the Boston Common, the Charles River, Faneuil Hall, Copley Place, and numerous other amenities, Oak Terrace will be a very attractive site to all types of renters.

B. Development Plan

The project's 88 rental units will enclose an open courtyard. Sixty (68%) of these units will be affordable to low income families. There will be 14 one bedroom units, 32 two bedroom units, 33 three bedroom units and 9 four bedroom units. A ten story tower on Washington Street will house 46 mostly one and two bedroom units; four story, double duplex townhouses on Oak Street and New Pine Street will house 34 family units; while three story townhouses on Maple Place will house 8 four bedroom units. One of the attractive design features is that 42 family units are walk up units with separate private entrances from the street or courtyard. In addition, approximately 2,500 square feet will be provided for commercial uses.

The layout and design of Oak Terrace embody elements of traditional Chinese architecture such as an interior courtyard surrounded by dwelling units and an Asian-influenced landscaping motif. The creation of newly landscaped open space and a community garden will greatly improve the pedestrian environment and serve both the residents of the development and the community.

The primary urban objective for ACDC is to create housing that reinforces the strong cultural identity of Chinatown, while relating to the scale, quality and ambience of the historic South End. The scale of the rowhouses to the east is maintained at the eastern edge of the site where the proposed buildings are only three and four stories high. A "signature" tower marking a gateway into Chinatown rises to ten stories at Washington Street, where the adjacent context is of a larger scale and the street width is greater. The housing will enclose a private courtyard designed for family use. A public open space, designed to include a community garden, will create a quiet recreation space on the Oak Street edge of the project. Forty-four parking spaces for residents will be available off-site across from the Project on Oak Street.

Successful marketing of the Oak Terrace project has been ensured through specific amenity development which complements the attractive design and location of the project. The project's amenities include central air conditioning, additional bathrooms for large-sized units, garbage disposals, washer-dryer hook-ups, and dishwashers.

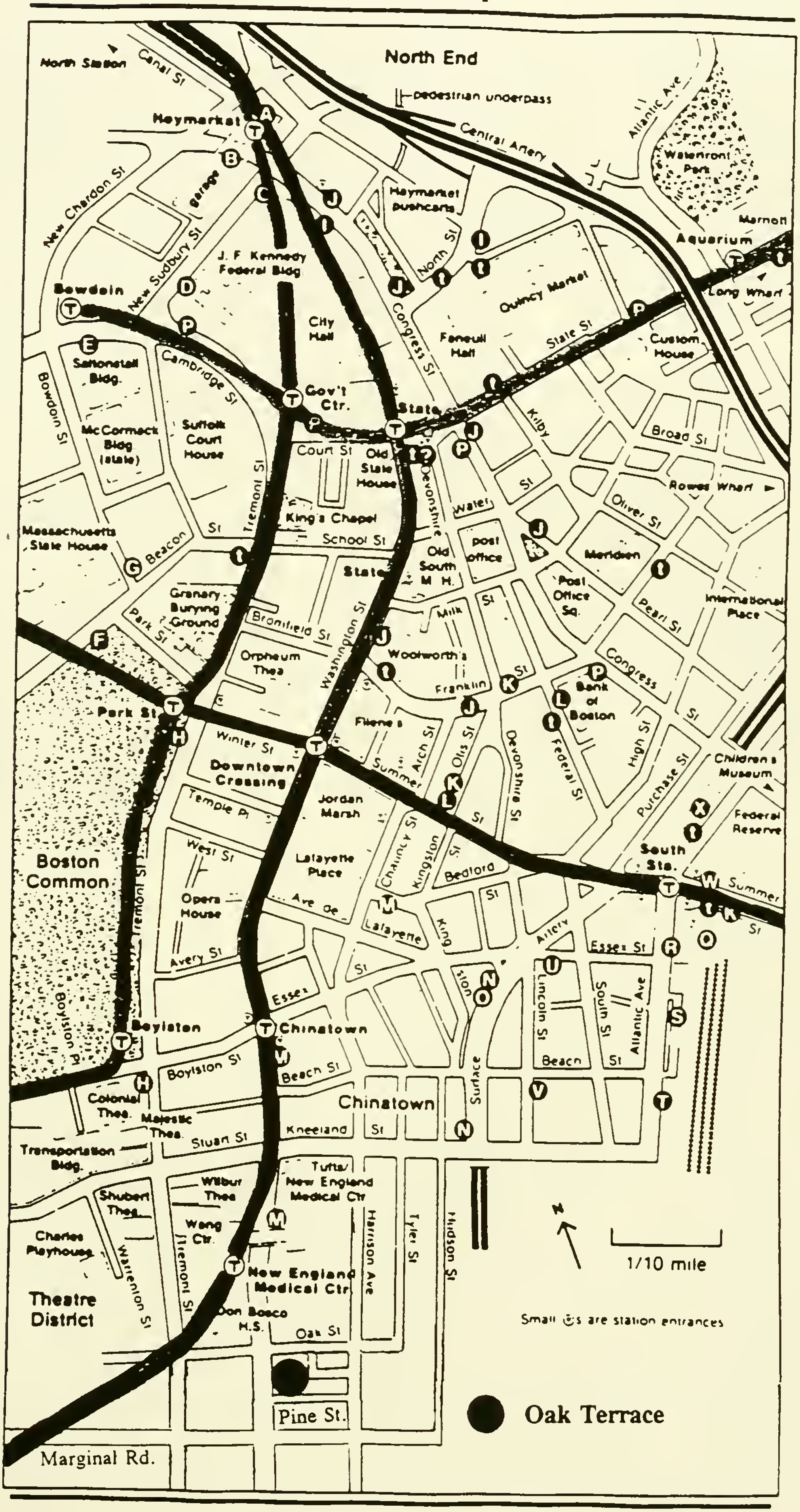
Oak Terrace will be built on a 38,028 square foot parcel which formerly belonged to the Boston Development Authority ("BRA"). The parcel was acquired from the BRA in December 1991. The Partnership expects to construct the Project over a 14-month construction period. Total acquisition and development costs are currently estimated to be approximately $13,659,468.

The development of Oak Terrace is a key affordable housing development initiative for the City of Boston. In addition, the creation of Oak Terrace dramatically fulfills one of the major housing goals in the 1990 Chinatown Community Plan. In 1990, the Chinatown Community and the City of Boston adopted comprehensive development and zoning guidelines for Boston Chinatown. The Chinatown Community Plan is one of Boston's first community-based planning efforts involving collaboration between a key neighborhood and the Boston Redevelopment Authority. The goal of the plan is to ensure meaningful housing, community services, urban design, development control, historic preservation, business development, open space, and transportation planning and development.

C. Municipal and Neighborhood Description

Chinatown is an extremely attractive location for Asians and non-Asians alike due to the proximity to many important amenities such as Asian food markets; bilingual services; specialized new immigrant services; employment opportunities and services; outstanding medical services; excellent transportation access; department stores; theatre and entertainment areas

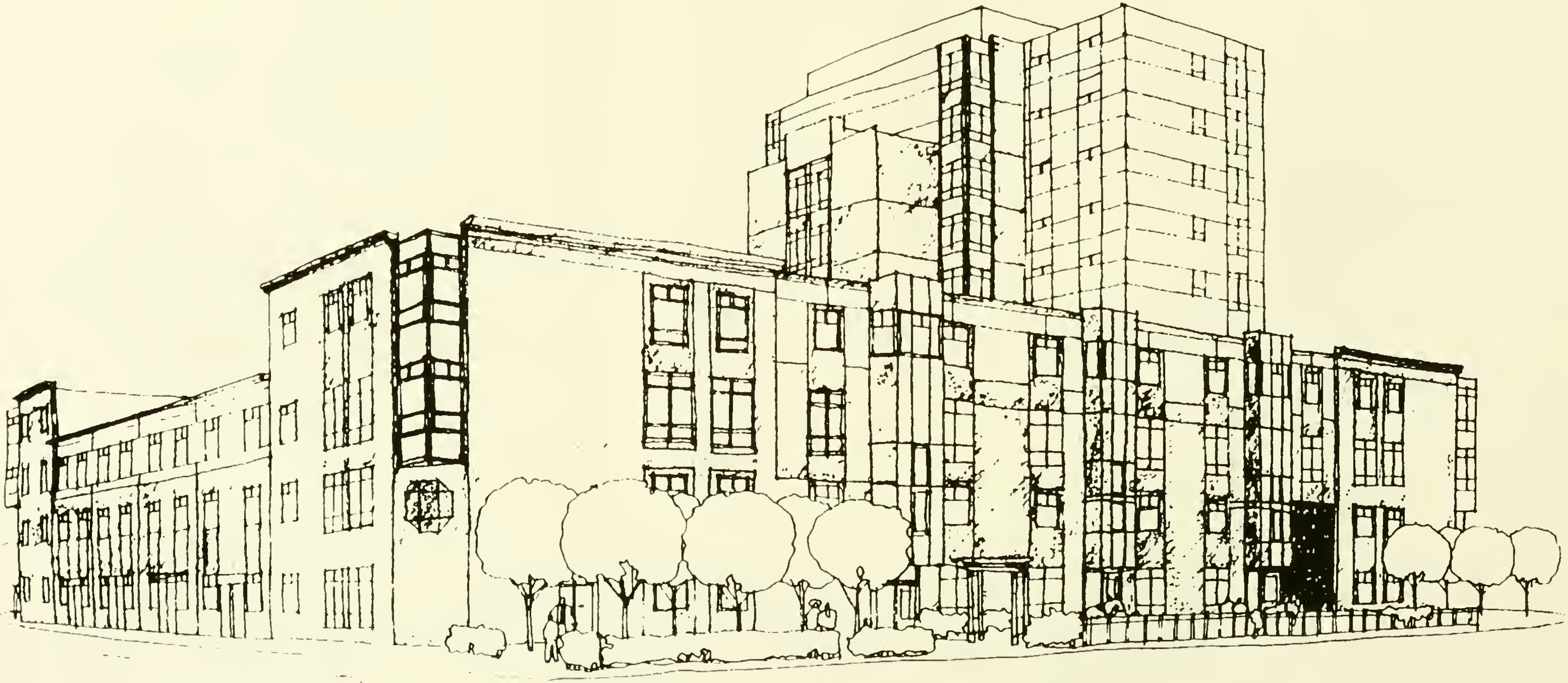
OAK TERRACE LIMITED PARTNERSHIP
Site Location Map



fine dining facilities; and large public open spaces such as the Public Garden and the Boston Common. The location is desirable because it is a 5-20 minute walk to popular City sites such as Copley Square, Faneuil Hall Marketplace, Downtown Crossing, the Theatre District, the Charles River and many educational institutions such as the New England School of Law, Tufts Medical and Dental Schools and the University of Massachusetts. Abutters include the Boston Chinese Evangelical Church, the Josiah Quincy School and the New England Medical Center. The MBTA Orange Line is located one block away from the proposed project, and an MBTA bus stops right in front of the Washington Street entrance of Oak Terrace's tower. Residents would be close to employment opportunities as well as Boston's financial and commercial districts.

The New England Medical Center will also provide new resources to Chinatown through its I-C project, a new development underway just across the street from Oak Terrace. The 442,219 square foot project will contain research space, ambulatory care, intensive care, maternity care, community services and other programs. The construction of this project will also begin this fall. The New England Medical Center's project will provide hundreds of employment opportunities and expanded health care services in Chinatown.

Despite its proximity to downtown Boston, Chinatown is one of the city's poorest neighborhoods with the highest rate of overcrowding and one of the highest ratios of deteriorated housing stock in the City of Boston. Due the tremendous need for affordable housing in Chinatown and the strength of the development team, this Project has generated tremendous community and City-wide support. On file are approximately 140 letters of support written by elected officials, institutions, community groups, businesses, abutters and individuals as well as a petition signed by 2,890 members of the Asian community endorsing ACDC as the designated developer of Oak Terrace and supporting ACDC's funding applications.



OAK TERRACE
VIEW ALONG OAK ST
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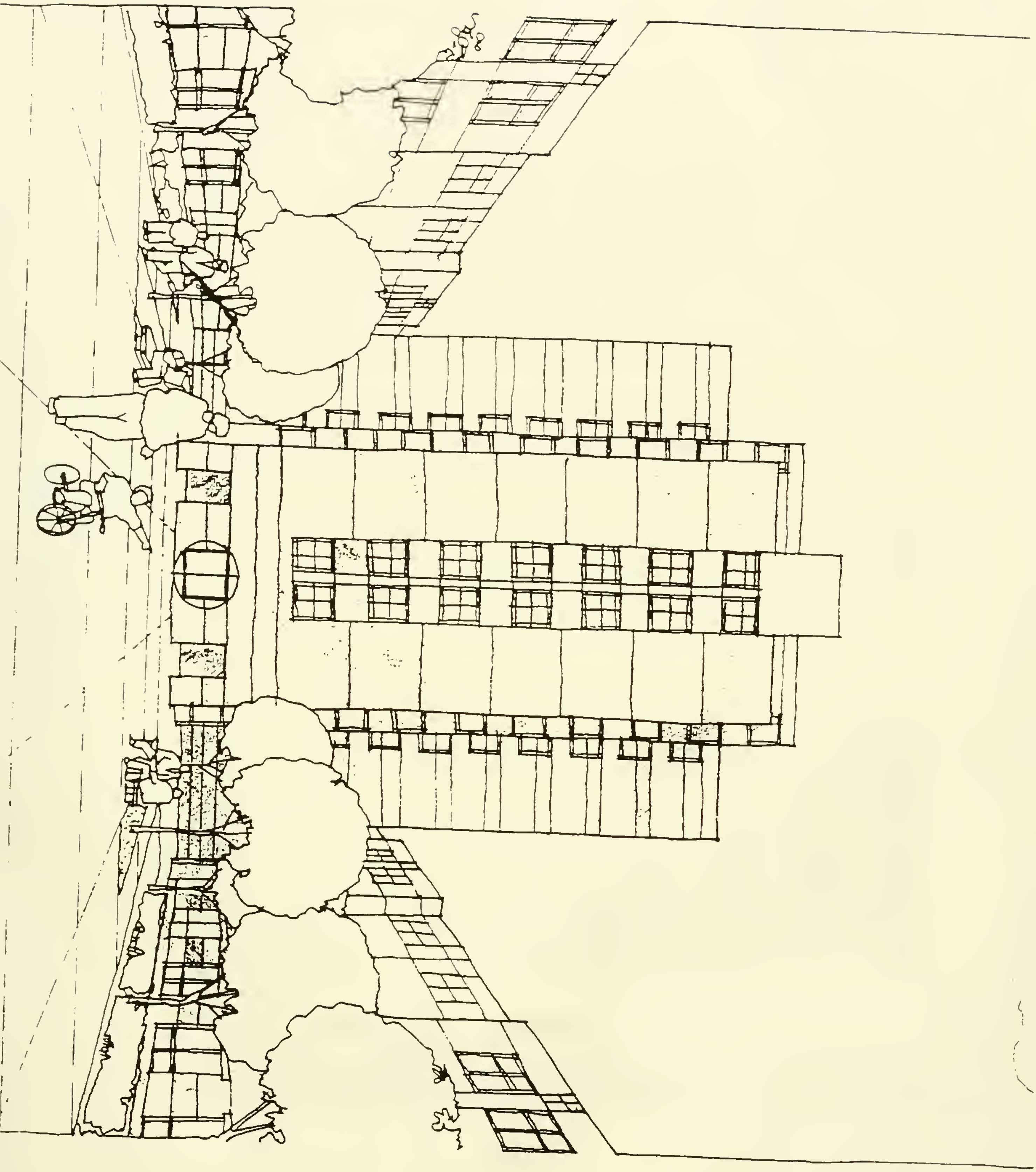

private sale of taxable bonds to the AFL-CIO Housing Investment Trust in the amount of $6,376,200.

The Partnership has received a forward commitment from the AFL-CIO Housing Investment Trust to purchase the bonds.

This loan will have a twenty year term and bear interest of 9.0%, plus a 0.5% servicing fee. At construction completion, the construction loan will be replaced with permanent first mortgage financing in the amount of $6,376,200. The loan will bear an annual interest rate of 9.0% plus a 0.5% servicing fee. Interest payments will be paid monthly in the amount of $53,961 or $647,533 per year based on a thirty year amortization schedule.

2. Sponsor Loan: (Source: Community Development Action Grant and Neighborhood Housing Trust Linkage Funds)

The City of Boston's Neighborhood Housing Trust has awarded the Sponsor $150,000 in Linkage Funds, and the Massachusetts Executive Office of Communities and Development has committed to the Sponsor $500,000 in Community Development Action Grant funds.

With these funds, the Sponsor will provide a loan to the Partnership in the amount of $650,000 to be used for certain development and pre-development work. This loan will be nonrecourse, secured by a fourth mortgage, and will bear interest at 8.25% per annum. Principal and interest repayments will be deferred and will be paid upon the earlier of sale or refinancing or loan maturity in 20 years.

3. Acquisition Loan

In order to finance the acquisition of the Property, the Partnership entered into a loan agreement with the Sponsor in the amount of $620,100, and assumed obligations of the Sponsor on a $879,900 Mortgage Note and Security Agreement to the Boston Redevelopment Authority ("BRA"), which sold the parcel of land to the Sponsor. Both loans will be nonrecourse, secured by a second mortgage, and shall accrue interest at the rate of eight percent (8%) per annum for twenty (20) years. Neither note requires current payments from property operations, but the BRA Mortgage Note and Security Agreement require that the property be developed as affordable housing. Principal and interest repayments will be deferred and will be paid upon the earlier of sale or refinancing or loan maturity in 20 years.

4. Limited Partner Capital Contributions

Limited Partner Capital Contributions are needed to fund Project Costs. See Section II above, and Appendix A.

B. Sources and Uses of Operating Funds

1. Rents

Thirty (34%) of the apartments in the Project are to be rented at below-market rates to qualifying moderate-income tenants (whose incomes do not exceed 60% of the median), another thirty (34%) to low-income tenants who qualify for rental assistance under the Section 8 program (see below), whose incomes do not exceed 50% of the area median, and twenty-eight (32%) to market rate tenants. The rents are projected to be sufficient to cover all the operating expenses, but not all of the debt service. Hence, the Sponsor will provide an operating subsidy to cover the remaining operating obligations of the Project.

2. Sponsor Operating Subsidy

The Sponsor has an application pending for $1,100,000 in Linkage Funds. With $200,000 from the Sponsor out of the first investor payment, a total of $1,300,000 will be invested in a tax-free annuity-type security with an average rate of return of 7.5%. The proceeds will then be loaned by the Sponsor as an operating subsidy paid in annually as needed to satisfy operating deficits. The loan totalling $1,973,964 will be secured by a note and a third mortgage on the Project. The outstanding loan balance will accrue interest at eleven percent (11.0%) per annum for twenty years, beginning at the close of permanent financing.

3. Operating Subsidy - Section 8

The Boston Housing Authority has allocated project-based Section 8 rental subsidy assistance for 25 of 88 units. This allocation is subject to the approval of the U.S. Department of Housing and Urban Development (HUD). The contract for this subsidy will be assigned to the Partnership. The initial contract will be for a term of up to five years. Historically, HUD has renewed project-based contracts in all cases in which an owner in good standing has requested renewal.

Nevertheless, the Partnership will set aside funds from the second investor payment for operations totaling $106,077. These funds will be invested in a tax-exempt interest bearing account, and withdrawals may be made from this account to supplement operating income, in the event that the Section 8 PBA contracts are not renewed.

4. Replacement Reserves

A capital replacement reserve will be established for repair and replacement of physical assets of the Property. Annual contributions are projected at $24,200, or $275 per unit, initially with 5% annual increases. Surplus operating cash, if any, will be applied to the

replacement reserve and any deferred maintenance items that the Property may require to keep it in full working order.

C. Bridge Financing

It has been assumed in the Forecasts that bridge financing totaling approximately $2,051,020 will be required and that principal and interest at 11% per annum will be payable from capital contributions received by the Partnership.

D. Development Fee Loan

The Sponsor will be paid a total of $1,100,000 for a development fee in the form of a note secured by a junior mortgage on the Property. Payments estimated to total $843,848 will be made on this note in annual installments through 1994, and interest will be charged at a rate of 8%, compounded annually. Any unpaid fee will be deferred, will accrue interest, and be paid out of the future capital installments, or upon the earlier of sale or refinancing or loan maturity in twenty years.

E. Project Reserves

It is anticipated that the capital contributions of the investor Limited Partners will exceed the direct development requirements and net worth requirements by an estimated $221,848. A portion of the surplus will be available to fund deferred development consultant fees, and the remainder will be paid to the Sponsor for deferred developer's overhead.

VI. SUMMARY OF THE PARTNERSHIP AGREEMENT

The following is intended to highlight some of the key elements of the Limited Partnership Agreement (the "Agreement"). This summary does not purport to be thorough, and Investors are advised to review the complete Agreement.

A. Partnership Allocations

Limited Partners will be entitled to 99.0% of the profits, losses and credits of the Partnership, allocated on a per unit basis with 1.0% allocated to the General Partner.

Allocations of gain or loss from a capital transaction differ from allocations attributable to operations, and after certain tax related adjustments, will be allocated equally between the Limited Partners and the General Partner.

On liquidation, final distributions will be made in accordance with the partners' capital account balances, as adjusted to reflect these allocations.

B. Rights and Duties of the General Partner

The Partnership agreement will provide that the General Partner will have full, complete and exclusive rights to manage and control the business of the Partnership, subject to requirements of the regulatory agencies, and is required to make all decisions affecting the business and affairs of the Partnership to the best of its ability and use best efforts to carry out the purposes of the Partnership. In so doing and to the extent consistent with the Partnership's purposes, the General Partner is required to take all actions necessary or appropriate to protect the interests of the Limited Partners as a group and of the Partnership. It is further required to devote such time as is necessary to the affairs of the Partnership.

The Partnership agreement will provide that the General Partner may not sell, assign, or encumber its general partnership interest in the Partnership or voluntarily withdraw from the Partnership without the consent of the Partners to its withdrawal and approval of the person admitted as General Partner in its place.

C. Rights and Duties of the Limited Partners

No Limited Partner will be required to make additional capital contributions in excess of its agreed capital contributions. The liability of the Limited Partners will be limited to the amount of their capital contributions to the Partnership made or agreed to be made, and to the amount of distributions representing a return of capital received by them. Following admission of the Limited Partners, no interest will

be paid on any capital contributions and no Limited Partner will have the right to withdraw its capital. Limited Partners will have certain rights to require the General Partner to call meetings of all the partners, to approve a sale or refinancing transaction, and to approve amendments to the Agreement.

D. <u>Transfer of Limited Partnership Interests</u> (See the Agreement, and Section VIII: "Corporate Financial and Investment Considerations" below.)

E. <u>Reports, Accounting, and Elections</u>

The General Partner shall mail to the Limited Partner all necessary tax information not later than March 15 of every year. The General Partner shall cause to be mailed to the Limited Partners not later than July 1 of every year, beginning July 1, 1993, an annual report of the Partnership, including (i) a report of prior calendar year, including a profit and loss statement, a balance sheet, a statement of Partner's equity, and a cash flow statement, and (ii) an unaudited comparison of the actual results of the operations of the Partnership during the prior calendar year with projections set forth in the Financial Forecasts.

The General Partner will retain a certified public accounting firm experienced in low-income housing partnerships as accountants for the Partnership. All decisions as to accounting matters, except as may otherwise be specifically provided in the Partnership Agreement, shall be made by the General Partner in accordance with the accounting methods utilized for Federal income tax purposes and otherwise in accordance with generally accepted accounting principles and procedures applied in a consistent manner. All of the elections required or permitted to be made by the Partnership under the Internal Revenue Code of 1986, as amended (the "Code") will be made by the General Partner, after consultation with the accountants for the Partnership, in such manner as will, in its sole opinion, be most advantageous to a majority in interest of the Limited Partners.

The books and records of the Partnership will be maintained at the Partnership's office and each Limited Partner or its duly authorized representative will have access to them and the right to inspect and copy them at all reasonable times during normal business hours.

VII. RISKS OF INVESTMENT

In light of the risk factors discussed below, among others, the Investment is suitable only for Investors of substantial financial means who have no need for liquidity of their Investment in the Partnership. There will be no public market of the Units. (See "Corporate Financial and Investment Considerations.")

Some of the major risk factors and how they may affect the business of the Partnership and the ownership of the units offered are discussed below. This discussion represents merely a summary of certain risk factors. Investors are advised to read this document in its entirety for further information concerning risk factors. RISKS OTHER THAN THOSE SET FORTH IN THIS SECTION MAY EXIST, AND IT SHOULD NOT BE INFERRED FROM THE FAILURE TO SPECIFY OR TO DISCUSS THESE OTHER RISKS IN THIS SECTION THAT SUCH RISKS MAY NOT TURN OUT TO BE SIGNIFICANT. INVESTORS MUST ACCEPT THE SUBSTANTIAL ECONOMIC RISKS INVOLVED IN THE INVESTMENT IN THIS PARTNERSHIP, INCLUDING THE POSSIBILITY OF THE LOSS OF CONTEMPLATED TAX BENEFITS AND THE LOSS OF THEIR CASH INVESTMENT. EACH INVESTOR SHOULD CONSULT ITS OWN PROFESSIONAL ADVISORS AS TO THE LEGAL, TAX OR RELATED MATTERS CONCERNING AN INVESTMENT IN THE PARTNERSHIP.

A. Tax Risks

The following summary of tax risks is qualified in its entirety by reference to the tax opinion which is expected to be delivered in connection with the admission of investors as Limited Partners and, a form of which will be provided to prospective Investors in advance of the date by which they will be asked to subscribe.

Low Income Housing Tax Credit:

There are certain risks associated with the use of the Credits. The provisions of the tax laws governing the Credits are complicated and many provisions have not yet been interpreted or clarified in Treasury regulations or rulings. There is a general risk that clarifications or modifications of the Act may alter the treatment of the Credit or other tax positions which have been used to form the basis of the Financial Forecasts.

Increases in tenant's income over time could cause his/her income to exceed the maximum permissible income for the Credits. When this occurs, the next available apartment of the same size would have to be rented to a low-income tenant. Failure to do so could result in recapture of Credits with interest and penalties.

Furthermore, if the initial percentage of low income units is not sustained over the 15-year Compliance Period, the "accelerated portion" of the Credits taken is subject to recapture. The accelerated portion is the difference between the Credits taken over a 10-year period and the same total Credit amount as if it were taken over a 15-year period. Only the accelerated portion of Credits taken on the eligible basis of the units

lost is recaptured. Moreover, if the minimum 40% eligibility threshold is not sustained, the accelerated portion of all Credits taken will be recaptured.

The Partnership has entered into a 1991 Carryover Allocation Agreement with the Massachusetts Housing Finance Authority. The requirements of such Agreement are that 10% of the Project's anticipated basis plus land must have been incurred prior to December 31, 1991, and that the Project must be placed in service by December 31, 1993. The Partnership has met the former requirement.

Investors should note that the Credit may not be used to offset the Alternative Minimum Tax but can be carried forward and back.

Tax Treatment of Various Costs and Fees:

The Summary of Significant Forecast Assumptions and Accounting Policies describes the tax treatment of the various syndication and development costs and fees. The treatment assumed could be questioned and possibly adjusted by the Internal Revenue Service ("IRS") if an audit should occur. This could result in a reduction of the tax benefits of the Investment.

Risk of Audit:

Investments in the Partnership, because it is classified as a tax-sheltered investment, could increase the likelihood of an IRS audit of the Partnership and of the individual Investors.

Other Federal Income Tax Risks:

There are several Federal income tax risks and considerations in connection with an Investment. These risks and considerations include the following:

1. If the Partnership is classified as an association taxable as a corporation for Federal income tax purposes, rather than as a partnership, substantially all of the tax benefits of the Investment would be eliminated, and otherwise tax-free distributions from the Partnership may be taxable to Investors.

2. if the Development Fee or Sponsor Loans were considered to be equity rather than debt for Federal income tax purposes, (a) interest on such loans would not be deductible, (b) Credits and losses attributable to such loans would be reallocated from the Investors to the General Partner, thus reducing the deductions and credits allocable to Investors and (c) some or all of the Project would be tax-exempt use property, causing the recovery period over which the Project is depreciated to be increased from 27.5 to 40 years;

3. if the Development Fee or Sponsor Loans were classified as recourse debt, the Limited Partners might not be able to include some or all of such loans in their basis and there

would be a reallocation of Credits and losses as set forth in clause 2.(b) above;

4. if the allocations of profit, loss, or credit among the Partners are not respected, such items may be reallocated among the Partners in accordance with their interests in the Partnership, thus possibly reducing the tax benefits allocable to the Investors, or reducing their basis for their Partnership interests, and triggering income; and

5. if at any time during the compliance period the fair market value of the Project, considering all of the facts and circumstances, including the Sponsor's option to acquire the Project, is less than the liabilities to which the Project is subject, then the Partnership might not be viewed as being able to deduct the accrued interest of the Project for tax purposes, resulting in the loss of some of the tax benefits.

B. Regulatory Risks

The use of city, state and Federal subsidies imposes numerous regulatory requirements on the Project. Failure to comply with such requirements can subject the Project to a range of penalties. Furthermore, rent increases will be restricted by the requirements of the Credit and various regulatory agreements.

C. Financial Forecasts

The economic and tax results to the Limited Partners set forth in the Financial Forecasts are based upon the assumptions described in this document and the Summary of Significant Forecast Assumptions and Accounting Policies. Such Forecasts are hypothetical and based upon the Partnership operations contemplated for the future and upon assumptions and estimates which are subject to the uncertainties of future events beyond the control of the Partnership. The timing of certain events, including the admission of the Limited Partners, may have a substantial impact on actual results. While the General Partner believes that the Forecasts reflect the most likely set of conditions and the most probable outcome of the economic and tax consequences of the Partnership's business operations, the results can in no manner be guaranteed.

THE FINANCIAL FORECASTS INCLUDED IN APPENDIX A ARE FOR PURPOSES OF ILLUSTRATION ONLY, AND NO ASSURANCE IS GIVEN THAT THE ACTUAL RESULTS WILL CORRESPOND WITH THE RESULTS CONTEMPLATED IN THE FINANCIAL FORECASTS. ACTUAL RESULTS CAN AND WILL VARY, PERHAPS MATERIALLY.

D. Construction Risks

Construction risks include the potential for construction cost overruns which could not be funded through existing resources, delays in and/or failure to complete construction as a result of natural disaster, strikes or other causes, and/or poor management or poor workmanship resulting in an inferior product.

E. Operating Risks

Operating risks include the potential for mismanagement, underestimation or rapid inflation of operating costs, overestimation of rents or excessive vacancy levels. Assumptions concerning operating budgets are described in the Financial Forecasts.

F. Conflicts of Interest

Substantial fees, expenses and reimbursements are payable to the Sponsor, an affiliate of the General Partner, out of the proceeds of this offering. The General Partner and the Sponsor and their respective officers are not required to, and will not, devote their full time to the affairs of the Partnership. The General Partner may be involved in the future in the development and management of other ventures, including ventures similar to that described in this document, or in other transactions with its affiliates. Furthermore, the officers, directors and employees of the General Partner and/or the Sponsor may be officers, directors and partners of corporations and partnerships to be formed in the future which may be engaged in making or arranging investments, including investments which may be similar to the business of the Partnership. Conflicts may arise regarding the allocation of time of the officers, directors and employees of the General Partner and/or the Sponsor between the Partnership and those other corporations and partnerships; and other conflicts may arise in connection with the business of the Partnership and of the other ventures.

G. Other Partnership Matters

Restriction on Transfer. Units will not be registered under the Securities Act of 1933, as amended, or under state securities laws and can only be resold if they are subsequently registered or unless an exemption from registration is available. In order to be eligible for an exemption, Investors will be required to represent that they are purchasing the Units for their own account for investment purposes and not with a view to resale or distribution. Investors will also be required to agree not to resell a Unit without registration under applicable Federal and state securities laws, unless exemptions thereunder are available. In addition, the Partnership Agreement provides substantial limitation on the transferability and assignability of Units. The approval of the General Partner, which may be withheld in its sole discretion, will be required for a Limited Partner to transfer its interest in the Partnership. If, as a result of some change in circumstances arising from an event not presently contemplated, a Limited Partner wishes to transfer a Unit or any

portion thereof, and may otherwise do so, it may find that no market for such Unit exists because of market conditions or the general liquidity of such Unit.

Control of the Business. The business and affairs of the Partnership will be conducted exclusively by the General Partner. Limited Partners will have no control over the business of the Partnership (although they will have certain limited voting rights). If a Limited Partner participates in the conduct of the business of the Partnership, it will become liable as a general partner. The General Partner may only be removed by the Limited Partners under certain limited circumstances.

Lack of Market. There is no trading market for the Partnership Interests, nor is there expected to be in the future.

VIII. CORPORATE FINANCIAL AND INVESTMENT CONSIDERATIONS

A. Investment Suitability/Accredited Investors

This Investment is intended for all C corporations, except those that are closely-held (defined as C corporations for which 5 or fewer individuals hold 50% or more of the stock) for which there may be limitations in the use of tax losses and credits to offset portfolio income and tax liabilities therefrom. The benefits of the Investment may be significantly limited for corporations subject to the Alternative Minimum Tax ("AMT"). Further, due to the tax preference treatment of excess depreciation and 75% of the excess of adjusted current earnings over alternative minimum taxable income, there is some possibility that an Investment in the Partnership may cause a corporation to become subject to the AMT. To the extent that the AMT applies in a given year, the Credits cannot be used to reduce tax liability although they may be carried forward and back. Corporations formed under Subchapter S and Personal Service Corporations are restricted in their use of the attendant tax benefits and should, therefore, probably not consider investing in the Partnership. The impact of tHe Investment on an investor's financial statement will vary according to the accounting method used by the investor. All prospective investors should consult their tax advisors and accountants before proceeding. Investment in the Partnership involves certain risks, and is suitable only for investors that have substantial financial resources in relation to their Investment and that understand both the tax consequences and the particular risk factors of this Investment. In addition, an Investment in the Partnership is suitable only for investors which need no liquidity in their investments and are willing to accept substantial restrictions on the transfer of Units. Only accredited corporations or banks may invest in the Partnership. To be accredited, a corporation must (a) not have been created for purposes of making the Investment and (b) have assets in excess of $5,000,000.

B. Special Considerations for Corporate Investors

The Investment is intended to represent a mechanism by which a corporation could expect to reduce its tax liability significantly, while contributing to the production of needed housing for low- and moderate-income individuals. Tax losses are still fully deductible against business income by most corporations (except Subchapter S and Personal Service Corporations) under the Tax Reform Act of 1986, and tax credits are subject to the limitation on general business credits which allows corporations to claim credits equal to the excess of their regular tax liability over the greater of (i) their "tentative minimum tax" or (ii) 25% of the excess of their regular tax liability over $25,000. However, as stated above, there are some special considerations for corporate investors who may be subject to the Alternative Minimum Tax.

Low Income Housing Tax Credits and Rehabilitation Tax Credits may be carried forward for up to fifteen years, subject to limitations similar to those applying to the use of the Credits in a current year, and can be carried back three years. There are no restrictions on the amount of the

tax loss which may be used in any given year. Under current law, losses may be carried forward for 15 years, and may be carried back for three years. Thus limited tax liability in a particular year would not necessarily prohibit eventual use of the Credits and losses.

IX. TAX OPINION

Prior to the admission of the Limited Partners, the Partnership will obtain and supply to each prospective investor a tax opinion of the law firm of Warner and Stackpole of Boston, Massachusetts which addresses the material Federal tax issues applicable to an investment in the Partnership, including the following:

- the status of the Partnership as a partnership for Federal tax purposes;
- the extent to which the Limited Partners' bases may be increased by Partnership debt;
- whether the allocation provisions of the Partnership will be respected for Federal income tax purposes;
- the qualification of the Project for the Low Income Housing Tax Credit and the Rehabilitation Tax Credit;
- the availability of the methods of depreciation selected by the Partnership;
- that Section 183 of the Code will not operate to disallow tax benefits with respect to the Project.

It is anticipated that the opinion will conclude that it is more likely than not that the Federal tax benefits, in the aggregate, which are a significant feature of an investment in the Partnership will be available to the Limited Partners.

Certain matters which are inherently questions of fact, or as to which there is an absence of authority, will not be opined upon by tax counsel. Such matters include the amount and allocation of items of cost among the various components of the Project, the character and deductibility of certain fees and other expenses to be paid by the Partnership and the useful lives of assets where no recovery period is provided in the Internal Revenue Code. An opinion of counsel is not binding on the Internal Revenue Service or the courts, and there can be no assurance that the IRS may not challenge the conclusions stated therein and that the courts may not sustain such challenges in whole or in part. The Partnership does not intend to apply for a ruling from the Internal Revenue Service on any Federal tax matter.

APPENDIX A

TO

PRIVATE OFFERING MATERIALS

OAK TERRACE LIMITED PARTNERSHIP
a Massachusetts limited partnership

FINANCIAL FORECASTS AND
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES

NO REPRESENTATIONS OR WARRANTIES OF ANY KIND ARE INTENDED OR SHOULD BE INFERRED WITH RESPECT TO THE ECONOMIC RETURN OR THE TAX ADVANTAGES WHICH MAY ACCRUE FROM INVESTMENT IN THE PARTNERSHIP. NO ASSURANCE CAN BE GIVEN THAT EXISTING TAX LAWS WILL NOT BE CHANGED OR INTERPRETED ADVERSELY. IF ECONOMIC PROJECTIONS ARE NOT MET, OR IF THE TAX LAWS ARE CHANGED OR INTERPRETED ADVERSELY, INVESTORS COULD FAIL TO REALIZE ALL OR A PORTION OF THE TAX BENEFITS CONTEMPLATED HEREIN.

~~July 13, 1992~~

1/19/93

OAK TERRACE LIMITED PARTNERSHIP
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SCHEDULE A

OAK TERRACE LIMITED PARTNERSHIP

(A MASSACHUSETTS LIMITED PARTNERSHIP)

SOURCES AND USES OF DEVELOPMENT FUNDS

Sources			
MHFA (AFL-CIO) First Mortgage			4,820,000
FHLB AHP Loan			250,000
Sponsor Loan			1,575,000
Source: CDAG	500,000		
NHT Linkage Funds	1,075,000		
BRA & Sponsor Land Acquisition Loan			1,500,000
General Partner Contribution			63,636
Gross Syndication Proceeds		6,300,000	
Plus: Bridge Loan Proceeds		1,500,000	
Less: Bridge Loan Payments		(1,725,918)	
Less: Partnership Costs 7.0%		(442,000)	
Less: Investor Services Funds		(113,360)	
Net Syndication Proceeds			5,518,722
Total Sources			13,727,358
Uses			
Acquisition			1,500,000
Construction			8,860,000
Construction Contingency			443,000
General Development Costs			1,289,800
Development Management & Overhead			225,000
Rent-up, Marketing and Absorption Costs			120,000
Financing Costs & Construction Period Interest			468,800
Total Development Costs			12,906,600
Net Worth			630,000
Operating Subsidy Escrow			0
Section 8 PBA Reserve			106,077
Project Reserves, Bridge Loan Coverage			21,045
Partnership Organizational Costs			63,636
Total Uses of Funds			13,727,358

The notes and assumptions are an integral part of these forecasts and should be read in conjunction therewith.

OAK TERRACE LIMITED PARTNERSHIP

(A MASSACHUSETTS LIMITED PARTNERSHIP)

FORECASTED SOURCES AND APPLICATIONS OF CASH FUNDS FROM NORMAL OPERATIONS

FOR THE PERIOD JANUARY 1, 1994 TO DECEMBER 31, 2009

	SOURCES			APPLICATIONS					
Year	Effective Gross Income	Sponsor Operating Loan	Total Sources	Operating Expenses	Debt Service	Additional Operating Expenses	Deferred Developers Fee	Replacement Reserves	Total Applications
1993		0	0	0	0	0		0	0
1994	458,712	60,345	519,058	218,400	250,414	38,144	0	12,100	519,058
1995	927,310	101,696	1,029,006	456,652	497,994	48,950	0	25,410	1,029,006
1996	960,542	91,724	1,052,266	478,642	497,994	48,950	0	26,681	1,052,266
1997	994,988	81,679	1,076,667	501,709	497,994	48,950	0	28,015	1,076,667
1998	1,030,692	71,575	1,102,267	525,908	497,994	48,950	0	29,415	1,102,267
1999	1,067,701	61,422	1,129,123	551,294	497,994	48,949	0	30,886	1,129,123
2000	1,106,065	51,234	1,157,299	577,925	497,994	48,950	0	32,430	1,157,299
2001	1,145,832	41,026	1,186,858	605,863	497,994	48,949	0	34,052	1,186,858
2002	1,187,056	30,815	1,217,871	635,173	497,994	48,950	0	35,754	1,217,871
2003	1,229,791	20,617	1,250,408	665,922	497,994	48,950	0	37,542	1,250,408
2004	1,274,092	10,452	1,284,544	698,182	497,994	48,949	0	39,419	1,284,544
2005	1,320,019	340	1,320,359	732,026	497,994	48,949	0	41,390	1,320,359
2006	1,367,632	0	1,367,632	767,533	497,994	48,950	9,696	43,460	1,367,632
2007	1,416,994	0	1,416,994	804,785	497,994	48,950	19,633	45,633	1,416,994
2008	1,468,170	0	1,468,170	843,869	497,994	48,950	29,443	47,914	1,468,170
2009	1,521,194	0	1,521,194	884,851	497,994	48,950	39,089	50,310	1,521,194
	18,476,791	622,925	19,099,716	9,948,734	7,720,319	772,391	97,861	560,411	19,099,716

The notes and assumptions are an integral part of these forecasts and should be read in conjunction therewith.

SCHEDULE C

OAK TERRACE LIMITED PARTNERSHIP

(A MASSACHUSETTS LIMITED PARTNERSHIP)
FORECASTED TAXABLE INCOME/(LOSS)
FOR THE PERIOD JANUARY 1, 1994 TO DECEMBER 31, 2009

	INCOME		EXPENSES					
Year	Effective Gross Income	Interest Income (Repl Res)	Operating Expense	Interest Expense	Depreciation	Other Deductions	Taxable Income/(Loss)	Cumulative Income/(Loss)
1993	0	0	0	0	0	0	0	0
1994	458,712	0	218,400	556,543	310,163	521,634	(1,148,027)	(1,148,027)
1995	927,310	605	456,652	853,322	470,622	162,679	(1,015,360)	(2,163,387)
1996	960,542	1,906	478,642	873,052	458,302	162,926	(1,010,474)	(3,173,861)
1997	994,988	3,335	501,709	912,012	449,502	163,181	(1,028,080)	(4,201,942)
1998	1,030,692	4,903	525,908	953,552	443,236	163,443	(1,050,544)	(5,252,486)
1999	1,067,701	6,618	551,294	997,693	443,236	70,163	(988,067)	(6,240,553)
2000	1,106,065	(0)	577,925	1,044,915	449,396	70,441	(1,036,612)	(7,277,165)
2001	1,145,832	1,622	605,863	1,094,676	441,546	70,728	(1,065,359)	(8,342,523)
2002	1,187,056	3,405	635,173	1,147,978	433,696	71,023	(1,097,410)	(9,439,933)
2003	1,229,791	5,363	665,922	1,204,854	433,696	71,327	(1,140,645)	(10,580,578)
2004	1,274,092	7,508	698,182	1,265,976	433,696	71,639	(1,187,893)	(11,768,471)
2005	1,320,019	(0)	732,026	1,330,582	440,864	71,962	(1,255,414)	(13,023,886)
2006	1,367,632	2,070	767,533	1,401,006	440,864	72,295	(1,311,997)	(14,335,882)
2007	1,416,994	4,346	804,785	1,476,533	440,864	72,637	(1,373,480)	(15,709,362)
2008	1,468,170	6,845	843,869	1,558,092	440,864	72,990	(1,440,799)	(17,150,161)
2009	1,521,194	9,583	884,851	1,644,643	440,864	240,500	(1,680,080)	(18,830,241)
	18,476,791	58,108	9,948,734	18,315,428	6,971,410	2,129,568	(18,830,241)	

The notes and assumptions are an integral part of these forecasts and should be read in conjunction therewith.

OAK TERRACE LIMITED PARTNERSHIP
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(A MASSACHUSETTS LIMITED PARTNERSHIP)
FORECASTED TAXABLE INCOME/(LOSS), NET INVESTMENT AND INVESTMENT BENEFITS FOR A $6,300,000
99.00% LIMITED PARTNER INTEREST FOR AN INVESTOR IN THE 34% TAX BRACKET
FOR THE PERIOD MARCH 1, 1993 TO DECEMBER 31, 2009

Year	Taxable Income/ (Loss)	Tax Savings From Losses	Low Income Housing Tax Credit	Tax Liability Upon Foreclosure	Total Tax Benefit/ (Cost)	Capital Contribution	Annual Net Investment
1993	0	0	0		0	4,740,000	4,740,000
1994	(1,136,547)	386,426	399,168		785,594	1,560,000	774,406
1995	(1,005,206)	341,770	898,128		1,239,898	0	(1,239,898)
1996	(1,000,369)	340,126	898,128		1,238,254		(1,238,254)
1997	(1,017,800)	346,052	898,128		1,244,180		(1,244,180)
1998	(1,040,039)	353,613	898,128		1,251,741		(1,251,741)
1999	(978,186)	332,583	898,128		1,230,711		(1,230,711)
2000	(1,026,246)	348,924	898,128		1,247,052		(1,247,052)
2001	(1,054,705)	358,600	898,128		1,256,728		(1,256,728)
2002	(1,086,435)	369,388	898,128		1,267,516		(1,267,516)
2003	(1,129,239)	383,941	898,128		1,282,069		(1,282,069)
2004	(1,176,014)	399,845	498,960		898,805		(898,805)
2005	(1,242,860)	422,572			422,572		(422,572)
2006	(1,298,877)	441,618			441,618		(441,618)
2007	(1,359,745)	462,313			462,313		(462,313)
2008	(1,426,391)	484,973			484,973		(484,973)
2009*	(1,663,280)	565,515		(4,196,259)	(3,630,744)		3,630,744
	(18,641,939)	6,338,259	8,981,280	(4,196,259)	11,123,281	6,300,000	(4,823,281)

Net Present Value Ratio at a 10% Discount Rate: 1.21

The notes and assumptions are an integral part of these forecasts and should be read in conjunction therewith.

OAK TERRACE LIMITED PARTNERSHIP

(A MASSACHUSETTS LIMITED PARTNERSHIP)

FORECASTED TAXABLE INCOME/(LOSS), NET INVESTMENT AND INVESTMENT BENEFITS FOR A $4,800,000 75.43% LIMITED PARTNER INTEREST FOR AN INVESTOR IN THE 34% TAX BRACKET

FOR THE PERIOD MARCH 1, 1993 TO DECEMBER 31, 2009

Units 3.77 Year	Taxable Income/ (Loss)	Tax Savings From Losses	Low Income Housing Tax Credit	Tax Liabilit Upon Foreclosure	Total Tax Benefit/ (Cost)	Capital Contribution	Annual Net Investment
1993	0	0	0		0	3,840,000	3,840,000
1994	(865,940)	294,420	304,128		598,548	960,000	361,452
1995	(765,872)	260,396	684,288		944,684	0	(944,684)
1996	(762,186)	259,143	684,288		943,431		(943,431)
1997	(775,466)	263,659	684,288		947,947		(947,947)
1998	(792,411)	269,420	684,288		953,708		(953,708)
1999	(745,285)	253,397	684,288		937,685		(937,685)
2000	(781,902)	265,847	684,288		950,135		(950,135)
2001	(803,585)	273,219	684,288		957,507		(957,507)
2002	(827,760)	281,439	684,288		965,727		(965,727)
2003	(860,372)	292,527	684,288		976,815		(976,815)
2004	(896,011)	304,644	380,160		684,804		(684,804)
2005	(946,941)	321,960			321,960		(321,960)
2006	(989,620)	336,471			336,471		(336,471)
2007	(1,035,996)	352,239			352,239		(352,239)
2008	(1,086,774)	369,503			369,503		(369,503)
2009*	(1,267,261)	430,869		(3,197,149)	(2,766,281)		2,766,281
	(14,203,382)	4,829,150	6,842,880	(3,197,149)	8,474,881	4,800,000	(3,674,881)

Net Present Value Ratio at a 10% Discount Rate: 1.20

The notes and assumptions are an integral part of these forecasts and should be read in conjunction therewith.

OAK TERRACE LIMITED PARTNERSHIP

(A MASSACHUSETTS LIMITED PARTNERSHIP)

FORECASTED TAXABLE INCOME/(LOSS), NET INVESTMENT AND INVESTMENT BENEFITS FOR A $1,500,000
23.57% LIMITED PARTNER INTEREST FOR AN INVESTOR IN THE 34% TAX BRACKET
FOR THE PERIOD MARCH 1, 1993 TO DECEMBER 31, 2009

Units 1.18 Year	Taxable Income/ (Loss)	Tax Savings From Losses	Low Income Housing Tax Credit	Tax Liabilit Upon Foreclosure	Total Tax Benefit/ (Cost)	Capital Contribution	Annual Net Investment
1993	0	0	0		0	900,000	900,000
1994	(270,606)	92,006	95,040		187,046	600,000	412,954
1995	(239,335)	81,374	213,840		295,214	0	(295,214)
1996	(238,183)	80,982	213,840		294,822		(294,822)
1997	(242,333)	82,393	213,840		296,233		(296,233)
1998	(247,628)	84,194	213,840		298,034		(298,034)
1999	(232,901)	79,186	213,840		293,026		(293,026)
2000	(244,344)	83,077	213,840		296,917		(296,917)
2001	(251,120)	85,381	213,840		299,221		(299,221)
2002	(258,675)	87,950	213,840		301,790		(301,790)
2003	(268,866)	91,415	213,840		305,255		(305,255)
2004	(280,003)	95,201	118,800		214,001		(214,001)
2005	(295,919)	100,612			100,612		(100,612)
2006	(309,256)	105,147			105,147		(105,147)
2007	(323,749)	110,075			110,075		(110,075)
2008	(339,617)	115,470			115,470		(115,470)
2009*	(396,019)	134,646		(999,109)	(864,463)		864,463
	(4,438,557)	1,509,109	2,138,400	(999,109)	2,648,400	1,500,000	(1,148,400)

Net Present Value Ratio at a 10% Discount Rate: 1.25

The notes and assumptions are an integral part of these forecasts and should be read in conjunction therewith.

SCHEDULE E

OAK TERRACE LIMITED PARTNERSHIP

(A MASSACHUSETTS LIMITED PARTNERSHIP)
TAX CONSEQUENCE TO INVESTORS UPON HYPOTHETICAL
SALE OF THE PROJECT ON DECEMBER 31, 2009

	For Debt Plus $1	
Sale	Total	Per Unit
Sales Price	20,112,715	4,022,543
Less: Debt	20,112,714	4,022,543
Net Cash	1	0

Calculation of Gain	Total	Per Unit
Sale Proceeds to Investor Limited Partners	1	0
Cumulative Tax Losses and Cash Distributions	18,641,939	3,728,388
Less: Investor's Basis (Invested Capital)	(6,300,000)	(1,260,000)
Gain on Sale	12,341,940	2,468,388

Net Cash Proceeds	Total	Per Unit
Proceeds upon Sale (Above)	1	0
Less: Tax on Capital Gain at 34%	(3,722,204)	(744,441)
Less: Tax on Ordinary Income at 34%	(474,056)	(94,811)
Net Cash Proceeds	(4,196,259)	(839,252)

OAK TERRACE LIMITED PARTNERSHIP

(A MASSACHUSETTS LIMITED PARTNERSHIP)

FIRST YEAR RENT SCHEDULE & OPERATING INCOME (1994)

# of Bedrooms	Subsidy/Income Level	Number Of Units	Monthly Rents	Rental Income per Month	Rental Income per Year	Less Vacancy (1)	Effective Rental Income
1BR	Market Rate	10	750	7,500	90,000	(4,500)	85,500
2BR		9	975	8,775	105,300	(5,265)	100,035
3BR		8	1175	9,400	112,800	(5,640)	107,160
4BR		1	1375	1,375	16,500	(825)	15,675
	Subtotal	28		27,050	324,600	(16,230)	308,370
2BR	Low Income (S.8 PBA)	9	885	7,965	95,580	(2,867)	92,713
3BR		11	1,085	11,935	143,220	(4,297)	138,923
4BR		5	1,195	5,975	71,700	(2,151)	69,549
	Subtotal	25		25,875	310,500	(9,315)	301,185
2BR	Low Income (S.8. Non-PBA)	2	771	1,542	18,504	(555)	17,949
3BR		2	966	1,932	23,184	(696)	22,488
4BR		1	1,080	1,080	12,960	(389)	12,571
	Subtotal	5		4,554	54,648	(1,639)	53,009
1BR	Low Income (Unassisted)	4	498	1,992	23,904	(717)	23,187
2BR		12	596	7,152	85,824	(2,575)	83,249
3BR		12	691	8,292	99,504	(2,985)	96,519
4BR		2	767	1,534	18,408	(552)	17,856
	Subtotal	30		18,970	227,640	(6,829)	220,811
Total -- All Apartment Unit Types		88		76,449	917,388	(34,014)	883,374
Commercial (SF)		2275	8.5 /SF		19,338	(1,934)	17,404
Commercial - Bank ATM (SF)		500	30 /SF		15,000	(1,500)	13,500
Laundry		46	6	276	3,312	(166)	3,146
Total Effective Gross Income							917,425

(1) VACANCY:	Market Rate Units	5%	Commercial	10%
	Low Income Units	3%	Laundry	5%

SCHEDULE G

OAK TERRACE LIMITED PARTNERSHIP

(A MASSACHUSETTS LIMITED PARTNERSHIP)

FIRST YEAR OPERATING EXPENSES (1994)

			PER UNIT
Management Fee	5.0% of ERI	44,169	502
Administrative			
Payroll Expenses		28,571	325
Payroll Taxes & Benefits		10,000	114
Legal		4,762	54
Audit		7,619	87
Marketing Expenses		5,029	57
Telephone		3,771	43
Office Supplies		1,905	22
Accounting & Data Processing		6,487	74
Misc: EOCD admin fee @ $50/unit)		5,162	59
Subtotal Administrative		73,306	833
Maintenance			
Payroll Expenses		43,000	489
Payroll Taxes & Benefits		15,100	172
Janitorial Materials & Services		2,514	29
Landscaping / Open Space Maint.		3,352	38
Decorating (interior only)		11,429	130
Repairs		23,048	262
Elevator Maintenance		3,771	43
Garbage & Trash Removal		1,905	22
Snow Removal		1,676	19
Exterminating		3,352	38
Resident Services		1,905	22
Miscellaneous		952	11
Subtotal Maintenance		112,005	1,273
Utilities			
Electricity		26,400	300
Gas		41,360	470
Water & Sewer		33,440	380
Subtotal Utilities		101,200	1,150
Real Estate Taxes		52,800	600
Security		29,120	331
Insurance		24,200	275
TOTAL ANNUAL OPERATING EXPENSE		436,799	4,964
Replacement Reserve		24,200	275

INTERNAL RATE OF RETURN FOR INVESTORS

OAK TERRACE LIMITED PARTNERSHIP

99.00% LIMITED PARTNER INTEREST FOR AN INVESTOR IN THE 34% TAX BRACKET

FOR THE PERIOD MARCH 1, 1993 TO DECEMBER 31, 2009

Internal Rate of Return: 15.37500%

Date	Period in Years	Capital Contribution (Cash Outflow)	Benefit (Cash Inflow)	Value Discounted at 15.38%	Value Discounted at 15.38%	Value Discounted at 10.00%	Value Discounted at 10.00%
03/01/93	0.00	(2,220,000)		(2,220,000)		(2,220,000)	
03/01/94	1.00	(2,520,000)		(2,184,182)		(2,290,909)	
03/01/95	2.00	(1,560,000)		(1,171,929)		(1,289,256)	
03/01/96	3.00	0		0		0	
03/01/97	4.00	0		0		0	
03/01/98	5.00	0		0		0	
03/01/99	6.00	0		0		0	
03/01/2000	7.01	0		0		0	
03/01/2001	8.01	0		0		0	
03/01/93	0.00		0		0		0
07/01/94	1.33		785,594		649,121		691,783
07/01/95	2.33		1,239,898		887,978		992,579
07/01/96	3.34		1,238,254		768,323		900,913
07/01/97	4.34		1,244,180		669,122		822,931
07/01/98	5.34		1,251,741		583,479		752,666
07/01/99	6.34		1,230,711		497,227		672,746
07/01/2000	7.34		1,247,052		436,517		619,546
07/01/2001	8.34		1,256,728		381,282		567,594
07/01/2002	9.34		1,267,516		333,309		520,424
07/02/2003	10.34		1,282,069		292,094		478,420
07/01/2004	11.34		898,805		177,487		304,909
07/01/2005	12.34		422,572		72,325		130,321
07/01/2006	13.34		441,618		65,512		123,813
07/02/2007	14.35		462,313		59,420		117,801
07/01/2008	15.35		484,973		54,026		112,341
07/01/2009	16.35		(3,630,744)		(350,564)		(764,581)
		(6,300,000)	11,123,281	(5,576,111)	5,576,659	(5,800,165)	7,044,206

Present Value of Capital Contribution	(5,576,111)	NPV Ratio at 10%	1.21
Present Value of Benefits	5,576,659		
Net Present Value	548		

INTERNAL RATE OF RETURN FOR INVESTORS

OAK TERRACE LIMITED PARTNERSHIP

76.19% LIMITED PARTNER INTEREST FOR AN INVESTOR IN THE 34% TAX BRACKET

FOR THE PERIOD MARCH 1, 1993 TO DECEMBER 31, 2009

Internal Rate of Return: 15.00000%

Date	Period in Years	Capital Contribution (Cash Outflow)	Benefit (Cash Inflow)	Value Discounted at 15.00%	Value Discounted at 15.00%	Value Discounted at 10.00%	Value Discounted at 10.00%
03/01/93	0.00	(1,920,000)		(1,920,000)		(1,920,000)	
03/01/94	1.00	(1,920,000)		(1,669,565)		(1,745,455)	
03/01/95	2.00	(960,000)		(725,898)		(793,388)	
03/01/96	3.00	0		0		0	
03/01/97	4.00	0		0		0	
03/01/98	5.00	0		0		0	
03/01/99	6.00	0		0		0	
03/01/2000	7.01	0		0		0	
03/01/2001	8.01	0		0		0	
03/01/93	0.00		0		0		0
07/01/94	1.33		598,548		496,721		527,073
07/01/95	2.33		944,684		681,715		756,251
07/01/96	3.34		943,431		591,783		686,410
07/01/97	4.34		947,947		517,057		626,995
07/01/98	5.34		953,708		452,347		573,460
07/01/99	6.34		937,685		386,737		512,569
07/01/2000	7.34		950,135		340,627		472,035
07/01/2001	8.34		957,507		298,496		432,452
07/01/2002	9.34		965,727		261,790		396,513
07/02/2003	10.34		976,815		230,169		364,510
07/01/2004	11.34		684,804		140,315		232,312
07/01/2005	12.34		321,960		57,364		99,292
07/01/2006	13.34		336,471		52,130		94,334
07/02/2007	14.35		352,239		47,437		89,753
07/01/2008	15.35		369,503		43,271		85,593
07/01/2009	16.35		(2,766,281)		(281,694)		(582,538)
		(4,800,000)	8,474,881	(4,315,463)	4,316,265	(4,458,843)	5,367,014

Present Value of Capital Contribution	(4,315,463)	NPV Ratio at 10%	1.20
Present Value of Benefits	4,316,265		
Net Present Value	802		

INTERNAL RATE OF RETURN FOR INVESTORS

OAK TERRACE LIMITED PARTNERSHIP

23.81% LIMITED PARTNER INTEREST FOR AN INVESTOR IN THE 34% TAX BRACKET

FOR THE PERIOD MARCH 1, 1993 TO DECEMBER 31, 2009

Internal Rate of Return: 16.72000%

Date	Period in Years	Capital Contribution (Cash Outflow)	Benefit (Cash Inflow)	Value Discounted at 16.72%	Value Discounted at 16.72%	Value Discounted at 10.00%	Value Discounted at 10.00%
03/01/93	0.00	(300,000)		(300,000)		(300,000)	
03/01/94	1.00	(600,000)		(514,051)		(545,455)	
03/01/95	2.00	(600,000)		(440,414)		(495,868)	
03/01/96	3.00	0		0		0	
03/01/97	4.00	0		0		0	
03/01/98	5.00	0		0		0	
03/01/99	6.00	0		0		0	
03/01/2000	7.01	0		0		0	
03/01/2001	8.01	0		0		0	
03/01/93	0.00		0		0		0
07/01/94	1.33		187,046		152,181		164,710
07/01/95	2.33		295,214		205,780		236,328
07/01/96	3.34		294,822		175,994		214,503
07/01/97	4.34		296,233		151,505		195,936
07/01/98	5.34		298,034		130,591		179,206
07/01/99	6.34		293,026		110,004		160,178
07/01/2000	7.34		296,917		95,457		147,511
07/01/2001	8.34		299,221		82,417		135,141
07/01/2002	9.34		301,790		71,217		123,910
07/02/2003	10.34		305,255		61,690		113,909
07/01/2004	11.34		214,001		37,053		72,597
07/01/2005	12.34		100,612		14,925		31,029
07/01/2006	13.34		105,147		13,363		29,479
07/02/2007	14.35		110,075		11,980		28,048
07/01/2008	15.35		115,470		10,767		26,748
07/01/2009	16.35		(864,463)		(69,063)		(182,043)
		(1,500,000)	2,648,400	(1,254,464)	1,255,862	(1,341,322)	1,677,192

Present Value of Capital Contribution	(1,254,464)	NPV Ratio at 10%	1.25
Present Value of Benefits	1,255,862		
Net Present Value	1,398		

USES OF SYNDICATION AND BRIDGE LOAN PROCEEDS

OAK TERRACE LIMITED PARTNERSHIP

File Name:
h:\users\swano\1305\synd1_07

	Receipts		Disbursements							
Installment Date	Gross Synd. Proceeds	Bridge Loan	Net Worth	Project Costs	Operating Subsidy Escrow	Synd. Fees & Expenses	Investor Services & Audit	Section 8 PBA Reserve	Bridge Loan Payments	B.L. Cov/ Project Reserves
01-Mar-93	2,220,000	1,500,000	222,000	3,219,200	0	278,800		0	0	0
01-Mar-94	2,520,000		252,000	1,542,400		100,800		0	624,800	0
01-Mar-95	1,560,000		156,000	0		62,400	113,360	106,077	1,101,118	21,045
	0		0							
	0		0							
	0		0							
	0		0							
	0		0							
	0		0							
	6,300,000	1,500,000	630,000	4,761,600	0	442,000	113,360	106,077	1,725,918	21,045

Total Project Costs	12,906,600	B.L. Interest =	225,918
MHFA (AFL-CIO) First Mortgage	(4,820,000)		
FHLB AHP Loan	(250,000)		
Sponsor Loan	(1,575,000)		
BRA & Sponsor Land Acquisition Loan	(1,500,000)		
Paid from syndication	4,761,600		

SUMMARY OF INTEREST DEDUCTIONS

OAK TERRACE LIMITED PARTNERSHIP

Year	MHFA (AFL-CIO) 1st Mtge	FHLB AHP Interest	Sponsor Loan Interest	BRA & Sponsor Land Loan Interest	Operating Subsidy Loan Interest	Devel. Fees	Bridge Loan	Total
1993	0	0	0	0	0	0	0	0
1994	228,651	5,667	95,572	85,333	4,777	60,778	75,765	556,543
1995	455,054	8,500	155,543	138,240	15,848	64,985	15,153	853,322
1996	451,823	8,500	168,764	149,299	26,067	68,598		873,052
1997	448,289	8,500	183,109	161,243	36,303	74,567		912,012
1998	444,424	8,500	198,674	174,143	46,551	81,260		953,552
1999	440,196	8,500	215,561	188,074	56,809	88,554		997,693
2000	435,572	8,500	233,884	203,120	67,073	96,767		1,044,915
2001	430,513	8,500	253,764	219,370	77,342	105,187		1,094,676
2002	424,981	8,500	275,334	236,919	87,617	114,628		1,147,978
2003	418,929	8,500	298,737	255,873	97,900	124,916		1,204,854
2004	412,309	8,500	324,130	276,342	108,193	136,501		1,265,976
2005	405,069	8,500	351,681	298,450	118,504	148,379		1,330,582
2006	397,149	8,500	381,574	322,326	129,761	161,696		1,401,006
2007	388,487	8,500	414,007	348,112	142,089	175,339		1,476,533
2008	379,012	8,500	449,198	375,961	155,587	189,834		1,558,092
2009	368,648	8,500	487,380	406,038	170,368	203,710		1,644,643
	6,529,105	133,167	4,486,910	3,838,842	1,340,789	1,895,698	90,918	18,315,428

OTHER DEDUCTIONS

OAK TERRACE LIMITED PARTNERSHIP

Year	Organization & Start-Up	Financing Costs	Investor Service/ Audit Fee	Rent-up and Marketing	Total
1993		0	0	0	0
1994	93,550	11,939	8,000	370,000	483,489
1995	93,550	11,939	8,240		113,729
1996	93,550	11,939	8,487		113,976
1997	93,550	11,939	8,742		114,231
1998	93,550	11,939	9,004		114,493
1999		11,939	9,274		21,213
2000		11,939	9,552		21,492
2001		11,939	9,839		21,778
2002		11,939	10,134		22,073
2003		11,939	10,438		22,377
2004		11,939	10,751		22,690
2005		11,939	11,074		23,013
2006		11,939	11,406		23,345
2007		11,939	11,748		23,687
2008		11,939	12,101		24,040
2009		179,086	12,464		191,550
	467,750	358,173	161,255	370,000	1,357,178

add: Additional operating expenses, Schedule B	772,391
Other deductions per Schedule C	2,129,568
	0

SUMMARY OF FEES

OAK TERRACE LIMITED PARTNERSHIP

Cost Recovery Treatment for Tax Purposes	Non-Deductible	60 Months	27.5 Years	Life of Loan	Expensed as Incurred		
Vendor	Syndication	Organization & Start-Up	Development	Loan Fees	Annual Expenses	Total	Payable Year 1
Community Builders - Staff Time	40,000	40,000	0	0	0	80,000	80,000
Community Builders - Comp. Fee	252,000	0	0	0	0	252,000	88,800
Pship Legal, MHIC Legal & Fee	90,000	20,000	0	0	0	110,000	110,000
Investor Services/ Audit Funds	0	0	0	0	113,360	113,360	0
Subtotal Legal, Acct. & Consulting	382,000	60,000	0	0	113,360	555,360	278,800
Sponsor - Development Fee	--	--	--	--	--	0	
Tenant Outreach/Org & Start-Up	0	250,000	0	0	--	250,000	
GP Contribution	0	0	63,636	0	--	63,636	
Rent-Up and Marketing	0	0	0	0	250,000	250,000	
Development Fee	0	0	525,091	131,273	--	656,364	
Total Fees	382,000	310,000	588,727	131,273	363,360	1,775,360	

SUMMARY OF DEVELOPMENT AND SYNDICATION COSTS
As of: 01/19/93
OAK TERRACE LIMITED PARTNERSHIP

DEVELOPMENT BUDGET	(Subtotal)		Basis	Land	30 Amortization	Expensed As Paid	Syndication Non-deductible	Org. & Start-Up 60 Mos Amort.	Confirmation
Construction Costs		8,860,000	8,860,000						8,860,000
Site work & demolition		0	0						0
Contingency	9,303,000	443,000	443,000						443,000
Architect & Engineering Fees		602,800	602,800						602,800
Building & other permits		0	0						0
Bond Premium		0	0						0
Clerk of the Works		75,000	75,000						75,000
Development Management		225,000	74,250		74,250			76,500	225,000
Misc. & soft contingency		80,000	80,000						80,000
Construct. loan & seed $ int.		283,400	283,400						283,400
Real estate taxes during cons		31,000	31,000						31,000
Insurance		70,000	70,000						70,000
Legal fees		125,000	100,000					25,000	125,000
Environmental Remediation		40,000	40,000						40,000
Development Consulting		225,000	112,500		56,250			56,250	225,000
Cost certification/audit		24,000	24,000					0	24,000
Title & recording costs		17,000	0	17,000					17,000
Financing Costs									
Credit Enhancement		0			0				0
Mortgage Application Fee		38,600	38,600		0				38,600
Appraisal Fee		5,000	5,000		0				5,000
LIHTC Fee		45,400	0				45,400		45,400
Financing fee		96,400			96,400				96,400
First Year Expenses									
Rent-up & marketing		120,000				120,000			120,000
									0
Land Acquisition		1,500,000	0	1,500,000					1,500,000
									0
Developer's Fee		0	0	0	0	0	0	0	0
Developer's Overhead		0	0	0	0	0	0	0	0
Coop Training		0	0	0	0	0	0	0	0
Land/ Building Acquisition		0	0	0	0	0	0	0	0
									0
Total Replacement Cost		12,906,600	10,839,550	1,517,000	226,900	120,000	45,400	157,750	12,906,600

SUMMARY OF DEVELOPMENT AND SYNDICATION COSTS
As of: 01/19/93
OAK TERRACE LIMITED PARTNERSHIP

NON-DEVELOPMENT BUDGET AND SYNDICATION COSTS		Basis	Land	20 Year Term 30 Amortization	Expensed As Paid	Syndication Non-deductible	Org. & Start-Up 60 Mos Amort.	Confirmation
Other Interest Costs:								
Bridge Loan Interest	225,918	135,000			90,918			225,918
Sponsor Loan Interest	159,348	159,348						159,348
Development Fee Interest	1,963,186	67,488			1,895,698			1,963,186
Land Loan Interest	142,667	142,667						142,667
Development Fee-Tota 1,220,000								0
Tenant Outreach/Org & Start-Up	250,000						250,000	250,000
GP Contribution	63,636	63,636						63,636
Rent-Up and Marketing	250,000				250,000			250,000
Development Fee	656,364	525,091		131,273				656,364
Subtotal Non-Development Costs	3,711,119	1,093,231	0	131,273	2,236,616	0	250,000	3,711,119
Syndication Budget Costs								0
Community Builders - Staff Time	80,000	0		0	0	40,000	40,000	80,000
Community Builders - Comp. Fee	252,000	0		0	0	252,000	0	252,000
Pship Legal, MHIC Legal & Fee	110,000	0		0	0	90,000	20,000	110,000
Investor Services/ Audit Funds	113,360	0		0	113,360	0	0	113,360
Subtotal Syndication Costs	555,360	0	0	0	113,360	382,000	60,000	555,360
TOTAL	17,173,079	11,932,781	1,517,000	358,173	2,469,976	427,400	467,750	17,173,079
10% TEST BASIS =			13,449,781					

MISCELLANEOUS ADJUSTMENTS

Plus: amount paid in excess of development fee	(505,319)
Plus: Other project funds/reserves	106,077
Less: Unpaid land loan interest	(142,667)
Unpaid interest on development fee	(1,963,186)
Unpaid interest on sponsor loan	(159,348)
ADJUSTED TOTAL COSTS	14,508,636
TOTAL ALL PROJECT SOURCES CONFIRMATION	14,508,636
	0

SUMMARY OF LOW INCOME HOUSING TAX CREDIT

OAK TERRACE LIMITED PARTNERSHIP

Total Basis		13,449,781
Less Federal Grants		0
Less Land Cost		(1,517,000)
Less Commercial Cost	3.18%	(379,848)
Eligible Basis		11,552,932
Acquisition Amount		0
Rehabilitation Amount		0
New Construction Amount		11,552,932
Eligible Basis / Distressed Areas	130.00%	
Acquisition Amount		0
Rehabilitation Amount		0
New Construction Amount		15,018,812
Applicable Fraction:		
Unit Fraction		68.2%
Floor Space Fraction		68.2%
Lesser of Fractions		68.2%
Qualified Basis		
70% Credit, Applicable Percentage	9.00%	0
70% Credit, Applicable Percentage	9.00%	10,240,099
Credit per Eligible Unit		170,668

				168000
	30%	70%	$907,200	$921,609
Year	Credit	Credit	Allocation	Total
1994	0	409,604	403,200	403,200
1995	0	921,609	907,200	907,200
1996	0	921,609	907,200	907,200
1997	0	921,609	907,200	907,200
1998	0	921,609	907,200	907,200
1999	0	921,609	907,200	907,200
2000	0	921,609	907,200	907,200
2001	0	921,609	907,200	907,200
2002	0	921,609	907,200	907,200
2003	0	921,609	907,200	907,200
2004	0	512,005	504,000	504,000
Total	0	9,216,089	9,072,000	9,072,000

New Construction	Yes
Rehab	No
Financing Type:	Taxable
Qualifying Units	60
Total Units	88
Distressed Area	yes
Ten Year Rule Okay	NA

(If No, Acquisition Credits Disallowed)

Lease up assumptions:

		# units	1994 LIHTC
Cert. of Occ	05/01/94	10	102,401
Perm. Loan	07/01/94	20	153,601
	08/01/94	10	64,001
	09/01/94	10	51,200
	10/01/94	10	38,400
		60	409,604

Commercial Space Costs

Commercial SF	3,490
Total SF	109,637
Applicable Fraction	3.18%

SUMMARY OF DEPRECIATION DEDUCTIONS

OAK TERRACE LIMITED PARTNERSHIP

Total Basis	13,449,781
Less Land	(1,517,000)
Less Personal Property	(176,000)
27.5 Year Property	11,756,781
Depreciable Base per unit	133,600

	ResidentiaCommercial	
Straight Line Years:	27.5	31.5

Year	Depreciation on Building 11,756,781	Replace-ment #1 169,873	Replace-ment #2 197,096	Depr'n on Commercial 0	Depr'n on Personal Property	Total
1993						0
1994	285,013			0	25,150	310,163
1995	427,519			0	43,102	470,622
1996	427,519			0	30,782	458,302
1997	427,519			0	21,982	449,502
1998	427,519			0	15,717	443,236
1999	427,519			0	15,717	443,236
2000	427,519	6,177		0	15,699	449,396
2001	427,519	6,177		0	7,850	441,546
2002	427,519	6,177		0		433,696
2003	427,519	6,177		0		433,696
2004	427,519	6,177		0		433,696
2005	427,519	6,177	7,167	0		440,864
2006	427,519	6,177	7,167	0		440,864
2007	427,519	6,177	7,167	0		440,864
2008	427,519	6,177	7,167	0		440,864
2009	427,519	6,177	7,167	0		440,864
	6,697,802	61,772	35,836	0	176,000	6,971,410

SUMMARY OF REPLACEMENT RESERVE ACCOUNT

OAK TERRACE LIMITED PARTNERSHIP

Year	Deposits Annual	Deposits Additional	Interest Income @ 5.00%	Funds Used	Balance @ 12/31
1993	0		0		0
1994	12,100		0		12,100
1995	25,410		605		38,115
1996	26,681		1,906		66,701
1997	28,015		3,335		98,051
1998	29,415		4,903		132,369
1999	30,886		6,618	169,873	(0)
2000	32,430		(0)		32,430
2001	34,052		1,622		68,104
2002	35,754		3,405		107,263
2003	37,542		5,363		150,169
2004	39,419		7,508	197,096	(0)
2005	41,390		(0)		41,390
2006	43,460		2,070		86,919
2007	45,633		4,346		136,898
2008	47,914		6,845		191,657
2009	50,310		9,583	251,550	(0)
	560,411	0	58,108	618,520	1,162,167

SUMMARY OF OUTSTANDING DEBT

OAK TERRACE LIMITED PARTNERSHIP

Total Land and Building Basis 13,449,781

Year	MHFA (AFL-CIO) First Mortgage	FHLB AHP Loan	BRA & Sponsor Land Loan	Sponsor Operating Subsidy Loan	Sponsor Loan	Deferred Develop-ment Fee	Total Debt	Fixed Rate Value 3.50%	Total Debt as % of Value
1992	0	0	0	0	0	0	0		
1993	0	0	1,600,000	0	1,686,563	810,519	4,097,082		
1994	4,803,904	250,000	1,728,000	65,123	1,829,920	874,266	9,551,213	13,449,781	71%
1995	4,769,464	250,000	1,866,240	182,666	1,985,464	762,205	9,816,039	13,920,523	71%
1996	4,731,793	250,000	2,015,539	300,458	2,154,228	830,804	10,282,822	14,407,741	71%
1997	4,690,589	250,000	2,176,782	418,440	2,337,337	905,371	10,778,519	14,912,012	72%
1998	4,645,519	250,000	2,350,925	536,566	2,536,011	986,631	11,305,652	15,433,933	73%
1999	4,596,221	250,000	2,538,999	654,797	2,751,572	1,075,185	11,866,774	15,974,120	74%
2000	4,542,299	250,000	2,742,119	773,104	2,985,456	1,171,952	12,464,929	16,533,214	75%
2001	4,483,319	250,000	2,961,488	891,472	3,239,219	1,277,138	13,102,637	17,111,877	77%
2002	4,418,806	250,000	3,198,407	1,009,904	3,514,553	1,391,766	13,783,436	17,710,793	78%
2003	4,348,241	250,000	3,454,280	1,128,421	3,813,290	1,516,682	14,510,913	18,330,670	79%
2004	4,271,057	250,000	3,730,622	1,247,066	4,137,420	1,653,183	15,289,347	18,972,244	81%
2005	4,186,632	250,000	4,029,072	1,365,909	4,489,100	1,801,562	16,122,275	19,636,272	82%
2006	4,094,287	250,000	4,351,398	1,495,671	4,870,674	1,953,562	17,015,592	20,323,542	84%
2007	3,993,280	250,000	4,699,510	1,637,759	5,284,681	2,109,269	17,974,499	21,034,866	85%
2008	3,882,798	250,000	5,075,471	1,793,346	5,733,879	2,269,660	19,005,154	21,771,086	87%
2009	3,761,952	250,000	5,481,508	1,963,714	6,221,259	2,434,280	20,112,714	22,533,074	89%
								Max	89.26%
								Avg	78.13%

	Year	MHFA (AFL-CIO) First Mortgage	FHLB AHP Loan	BRA & Sponsor Land Loan	Sponsor Operating Subsidy Loan	Sponsor Loan	Deferred Develop-ment Fee	Total Debt	Fixed Rate Value 3.50%	
	----	--------	--------	---------	---------	---------	----------	------------	----------	
16	2009	3,761,952	250,000	5,481,508	1,963,714	6,221,259	2,434,280	20,112,714	22,533,074	89%
17	2010	3,629,770	250,000	5,920,029	2,150,267	6,750,066	2,603,366	21,303,497	23,321,732	91%
18	2011	3,485,188	250,000	6,393,631	2,354,543	7,323,821	2,777,669	22,584,851	24,137,992	94%
19	2012	3,327,043	250,000	6,905,122	2,578,224	7,946,346	2,957,659	23,964,394	24,982,822	96%
20	2013	3,154,064	250,000	7,457,531	2,823,155	8,621,785	3,143,848	25,450,384	25,857,221	98%

ANALYSIS OF FIRST MORTGAGE

OAK TERRACE LIMITED PARTNERSHIP

MHFA (AFL-CIO) First Mortgage		
Loan amount		$4,820,000
Interest rate (bonds)		9.00%
Constant		0.101554714
Loan term in years		30
Loan amortization in years		30
Payment per month		38,783
Payment per year		465,394
Payment per month w/ fee		40,791
Payment per year w/ fee		489,494
Amortization start	7	1994

	Annual Payments		Loan Balance
Year	Interest	Principal	@ 12/31
1993	0	0	0
1994	228,651	16,096	4,803,904
1995	455,054	34,440	4,769,464
1996	451,823	37,671	4,731,793
1997	448,289	41,205	4,690,589
1998	444,424	45,070	4,645,519
1999	440,196	49,298	4,596,221
2000	435,572	53,922	4,542,299
2001	430,513	58,980	4,483,319
2002	424,981	64,513	4,418,806
2003	418,929	70,565	4,348,241
2004	412,309	77,184	4,271,057
2005	405,069	84,425	4,186,632
2006	397,149	92,344	4,094,287
2007	388,487	101,007	3,993,280
2008	379,012	110,482	3,882,798
2009	368,648	120,846	3,761,952
	6,529,105	1,058,048	

ANALYSIS OF FHLB AHP LOAN

OAK TERRACE LIMITED PARTNERSHIP

Loan amount		$250,000
Interest rate (bonds)		3.40%
Constant		3.40% (interest only)
Loan term in years		20
Payment per month w/ fee		708
Payment per year w/ fee		8,500
Cert of Occupancy	5	1994

	Annual Payments		Loan Balance
Year	Interest	Principal	@ 12/31
1993	0	0	0
1994	5,667	0	250,000
1995	8,500	0	250,000
1996	8,500	0	250,000
1997	8,500	0	250,000
1998	8,500	0	250,000
1999	8,500	0	250,000
2000	8,500	0	250,000
2001	8,500	0	250,000
2002	8,500	0	250,000
2003	8,500	0	250,000
2004	8,500	0	250,000
2005	8,500	0	250,000
2006	8,500	0	250,000
2007	8,500	0	250,000
2008	8,500	0	250,000
2009	8,500	0	250,000
	133,167	0	

BRA & SPONSOR LAND LOAN

OAK TERRACE LIMITED PARTNERSHIP

BRA Land Loan	880,000
Sponsor Land Loan	620,000
Total Land Loan amount	1,500,000
Interest rate	8.00%
Loan term	30 Years

Year	Loan	Interest Accrued	Payments	Balance @ 12/31	Construction Period Interest
1993	1,500,000	100,000	0	1,600,000	100,000
1994	0	128,000	0	1,728,000	42,667
1995	0	138,240	0	1,866,240	
1996	0	149,299	0	2,015,539	
1997	0	161,243	0	2,176,782	
1998	0	174,143	0	2,350,925	
1999	0	188,074	0	2,538,999	
2000	0	203,120	0	2,742,119	
2001	0	219,370	0	2,961,488	
2002	0	236,919	0	3,198,407	
2003	0	255,873	0	3,454,280	
2004	0	276,342	0	3,730,622	
2005	0	298,450	0	4,029,072	
2006	0	322,326	0	4,351,398	
2007	0	348,112	0	4,699,510	
2008	0	375,961	0	5,075,471	
2009	0	406,038	0	5,481,508	
2010	0	438,521	0	5,920,029	
	1,500,000	4,420,029	0		142,667

ANALYSIS OF SPONSOR OPERATING SUBSIDY LOAN

OAK TERRACE LIMITED PARTNERSHIP

Source of Sponsor Loan

Neighborhood Housing Trust Linkage		250,000
FHLB AHP		250,000
Sponsor (from Investor Payments)		0
Loan amount		Various Annual Amounts
Int. rate		9.50%
Loan term		20 Years
Loan begins-Cert of occupancy	5	1994

Accounting Interest Accrual

Year	Withdrawals to Loan	Beginning Balance	Annual Loan	Interest Accrued	Ending Balance @ 12/31	Constr. Period Interest
1992		0	0	0	0	0
1993		0	0	0	0	0
1994	90,518	0	60,345	4,777	65,123	0
1995	101,696	65,123	101,696	15,848	182,666	
1996	91,724	182,666	91,724	26,067	300,458	
1997	81,679	300,458	81,679	36,303	418,440	
1998	71,575	418,440	71,575	46,551	536,566	
1999	61,422	536,566	61,422	56,809	654,797	
2000	51,234	654,797	51,234	67,073	773,104	
2001	41,026	773,104	41,026	77,342	891,472	
2002	30,815	891,472	30,815	87,617	1,009,904	
2003	20,617	1,009,904	20,617	97,900	1,128,421	
2004	10,452	1,128,421	10,452	108,193	1,247,066	
2005	340	1,247,066	340	118,504	1,365,909	
2006	0	1,365,909	0	129,761	1,495,671	
2007	0	1,495,671	0	142,089	1,637,759	
2008	0	1,637,759	0	155,587	1,793,346	
2009	0	1,793,346	0	170,368	1,963,714	
	653,098		622,925	1,340,789		0

ANALYSIS OF SPONSOR LOAN

OAK TERRACE LIMITED PARTNERSHIP

Source:	
NHT Linkage	1,075,000
CDAG	500,000
Loan amount	1,575,000
Interest rate	8.50%
Loan term	20 Years

Year	Interest Accrued	Balance @ 12/31	Construction Period Interest
1993	111,563	1,686,563	111,563
1994	143,358	1,829,920	47,786
1995	155,543	1,985,464	0
1996	168,764	2,154,228	
1997	183,109	2,337,337	
1998	198,674	2,536,011	
1999	215,561	2,751,572	
2000	233,884	2,985,456	
2001	253,764	3,239,219	
2002	275,334	3,514,553	
2003	298,737	3,813,290	
2004	324,130	4,137,420	
2005	351,681	4,489,100	
2006	381,574	4,870,674	
2007	414,007	5,284,681	
2008	449,198	5,733,879	
2009	487,380	6,221,259	
	4,646,259		159,348

ANALYSIS OF BRIDGE LOAN

OAK TERRACE LIMITED PARTNERSHIP

1992 Loan amount:	$1,500,000
Interest rate	9.00%

				Syndication Payments			Interest	Construction
		Principal	Accrued			Loan	Expense	Period
Year	Period	Drawdown	Interest	Interest	Principal	Balance	for Year	Interest
1993	01-Mar-93	1,500,000				1,500,000		
to	31-Dec-93		112,500	0	0	1,612,500	0	112,500
1994	01-Mar-94	0	22,500	135,000	489,800	1,010,200		22,500
	31-Dec-94	0	75,765			1,085,965	75,765	
1995	01-Mar-95		15,153	90,918	1,010,200	0		
	31-Dec-95		0			0	15,153	
1996	1/1 to 11/1		0	0	0	0		
	11/2 to 12/31		0			0	0	
1997	1/1 to 1/31		0	0	0	0		
	2/1 to 12/31		0			0	0	
1998	1/1 to 1/31		0	0	0	0		
	2/1 to 12/31		0			0	0	
1999	1/1 to 1/31		0	0	0	0		
	2/1 to 12/31		0			0	0	
2000	1/1 to 1/31		0	0	0	0		
	2/1 to 12/31		0			0	0	
2001	1/1 to 1/31		0	0	0	0		
	2/1 to 12/31		0			0	0	
				225,918	1,500,000		90,918	135,000
				Confirmation	1,725,918		Confirmation	225,918

Interest expense on bridge capitalized and carried in development budget.

ANALYSIS OF DEFERRED DEVELOPMENT FEE

OAK TERRACE LIMITED PARTNERSHIP

Development fee to Sponsor 1,220,000
Interest rate on deferred fee 9.00%
9.00%

Benchmark	Time Period		Amount Earned (End of Period)	Interest Accrued	Payments	Unpaid Balance	Interest By Year	Construction Period Interest
		01/30/89	0	0		0	0	0
	01/31/89	02/16/89	0	0		0		0
	01/31/89	07/10/90	0	0		0		0
Construction Closing	03/01/93	03/01/93	976,000	0	222,000	754,000		0
& Syndication Closing	03/02/93	12/31/93		56,519		810,519	0	56,519
Syndication #2 /80%	01/01/94	03/01/94		10,969	252,000	569,488		10,969
Completion	03/02/94	03/02/94	244,000	0		813,488		0
	03/03/94	12/31/94		60,778		874,266	60,778	0
Syndication #3	01/01/95	03/01/95		11,835	177,045	709,055		
	03/02/95	12/31/95		53,150		762,205	64,985	
	01/01/96	12/31/96		68,598	0	830,804	68,598	
	01/01/97	12/31/97		74,567	0	905,371	74,567	
	01/01/98	12/31/98		81,260	0	986,631	81,260	
	01/01/99	12/31/99		88,554	0	1,075,185	88,554	
	01/01/2000	12/31/2000		96,767	0	1,171,952	96,767	
	01/01/2001	12/31/2001		105,187	0	1,277,138	105,187	
	01/01/2002	12/31/2002		114,628	0	1,391,766	114,628	
	01/01/2003	12/31/2003		124,916	0	1,516,682	124,916	
	01/01/2004	12/31/2004		136,501	0	1,653,183	136,501	
	01/01/2005	12/31/2005		148,379	0	1,801,562	148,379	
	01/01/2006	12/31/2006		161,696	9,696	1,953,562	161,696	
	01/01/2007	12/31/2007		175,339	19,633	2,109,269	175,339	
	01/01/2008	12/31/2008		189,834	29,443	2,269,660	189,834	
	01/01/2009	12/31/2009		203,710	39,089	2,434,280	203,710	
	01/01/2010							
				1,963,186	748,906		1,895,698	67,488
					748,906		Confirmation	1,963,186

SINKING FUND FOR INVESTOR SERVICE

OAK TERRACE LIMITED PARTNERSHIP

Year	Beginning Balance	Tax Exempt Interest @ 5.00%	Annual Investor Service Fee	Ending Balance
1993				
Oct 1994	113,360	1417	8,000	106,777
1995	106,777	5,339	8,240	103,876
1996	103,876	5,194	8,487	100,582
1997	100,582	5,029	8,742	96,870
1998	96,870	4,843	9,004	92,709
1999	92,709	4,635	9,274	88,070
2000	88,070	4,404	9,552	82,922
2001	82,922	4,146	9,839	77,229
2002	77,229	3,861	10,134	70,956
2003	70,956	3,548	10,438	64,065
2004	64,065	3,203	10,751	56,517
2005	56,517	2,826	11,074	48,269
2006	48,269	2,413	11,406	39,277
2007	39,277	1,964	11,748	29,492
2008	29,492	1,475	12,101	18,866
2009	18,866	943	12,464	7,346
			161,255	

BEGINNING SINKING FUND BALANCE 113,360

OAK TERRACE LIMITED PARTNERSHIP

PRICING	714,681	6,300,000		
1,220,000		Dev. Fee	21,045	= fee paid
9.00%		Interest Rate		
2,434,280		Fee Balance 2006		
10.7%		Percent of TDC (net of acq)		
15.3750%		IRR		
548		IRR Balance		
1.214		NPV Ratio		
1.77		Benefits/Capital (Undiscounted)		
907,200		LIHTC Allocation		
14,409		Unused Credit Allocation		
8.00%		BRA & Sponsor Land Loan Rate		
9.50%		Linkage/Annuity Loan Rate		
8.50%		Sponsor Loan Rate		
0.00%		Bridge Cushion		
0		Bridge Balance		
0		Bridge Balance 1994		
170,668		Basis per Unit		
3.50%		Fixed Apprec. Rate		
89%		Annual Max		
78%		Avg		
21,045		Excess Funds		
8.82%	555,360	Load % of Gross (w/sf)		
7.02%	442,000	Load % of Gross (w/o sf)		

OAK TERRACE LIMITED PARTNERSHIP File Name: h:\users\swano\1305\synd1_07

Devel Pro forma as of 19-Jan-93 09:48 AM

Yr 1 oper income -	917,425		
Yr 1 oper expense -	436,799	Maximum tax rate -	34%
Yr 1 Replacement Res -	24,200	Number of p'ship units	1
% annual inc - rent (avg	3.78%	% of loss to ltds	99.0000%
% of annual incr - exp	4.67%	Acq cost - in $	0
		- land %	100.0%
		- bldg %	0.0%

Begin 1st of Month:

	Mo.	Yr.		Mo.	Yr.	Qualifying Units	Total Units
			Phase 1 start	3	1993		
Syndication	3	1993	Phase 1 end	5	1994	60	88
Construction	3	1993	Phase 2 start	3	1993		
			Phase 2 end	5	1994	0	0
Rent start	7	1994	MHFA Ln Amort	7	1994		
Exp. start	7	1994			Totals	60	88

OAK TERRACE LIMITED PARTNERSHIP

PRICING 714,681	6,300,000		Funds Analysis	
1,220,000	Dev. Fee	21,045 = fee paid	Net Worth	630,000
9.00%	Interest Rate		Addl. Project Reserves	21,045
2,434,280	Fee Balance 2006		GP Contribution	63,636
10.7%	Percent of TDC (net of acq)			
15.3750%	IRR		Total Funds Available *	714,681
548	IRR Balance			
1.214	NPV Ratio		Total Devt Fee Payments **	0
1.77	Benefits/Capital (Undiscounted)			
907,200	LIHTC Allocation		Uses of Devt Fee Pymts	
14,409	Unused Credit Allocation			
8.00%	BRA & Sponsor Land Loan Rate		Net Worth	630,000
9.50%	Linkage/Annuity Loan Rate		Cliff Reserve	0
8.50%	Sponsor Loan Rate		Balance to Sponsor	(630,000)
0.00%	Bridge Cushion			
0	Bridge Balance		Total Devt Fee Payments **	0
0	Bridge Balance 1994			
			G.P. Contribution (*-**)	714,681
170,668	Basis per Unit			
3.50%	Fixed Apprec. Rate			
89%	Annual Max			
78%	Avg			
21,045	Excess Funds			